

## AUDIT COMMITTEE

25 FEBRUARY 2021

### REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

#### A.3 EXTERNAL AUDIT'S ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2020

(Report prepared by Richard Barrett)

#### PART 1 – KEY INFORMATION

##### **PURPOSE OF THE REPORT**

To present to the Committee the External Auditor's Annual Audit Letter for the year ended 31 March 2020.

##### **EXECUTIVE SUMMARY**

The Annual Audit Letter for the year ended 31 March 2020 has recently been received from the Council's External Auditors, which primarily summarises the outcomes from various audit activities undertaken during the year.

##### **RECOMMENDATIONS**

**That the Audit Committee considers and notes the contents of the Annual Audit Letter for the year ended 31 March 2020.**

#### PART 2 – IMPLICATIONS OF THE DECISION

##### **DELIVERING PRIORITIES**

The aim of continuing to be financially stable and well managed and provide good value for money is directly supported through learning and improving through audit and inspection.

##### **FINANCE, OTHER RESOURCES AND RISK**

###### **Finance and other resources**

There are no direct financial implications arising from this report with expected fees being accommodated within existing budgets.

###### **Risk**

Not responding practically and timely to outcomes from audit and inspection may have an impact on the delivery of the Council's priorities, reputation, governance arrangements and overall control environment.

##### **LEGAL**

The Accounts and Audit Regulations require that:

- (1) A committee must meet to consider the letter as soon as reasonably practicable;

(2) following consideration of the letter in accordance with paragraph (1) the authority must—(a) publish (which must include publication on the authority’s website) the audit letter; and (b) make copies available for purchase by any person on payment of such sum as the authority may reasonably require.

**OTHER IMPLICATIONS**

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

**Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.**

This report does not have a direct impact although items could feature in the recommendations and subsequent action plans in future external audit reports. Any actions that may have an impact will be considered and appropriate steps taken to address any issues that may arise.

**PART 3 – SUPPORTING INFORMATION**

**ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2020**

There are a number of different strands of external audit work undertaken during the year but primarily they relate to the financial statements and value for money opinion. The outcomes from these activities are reported to the Council separately as they are completed during the year. The Annual Audit Letter is effectively an end of year report for the Council, which captures and summarises these outcomes in one document. It is primarily directed to Members but it must also be made available as a public document.

The **Annual Audit Letter** relating to 2019/20 is attached, with no significant concerns raised. Page 7 of the Auditor’s letter includes some observations in respect of a number of reserves the Council holds and its approach to managing its finances. The associated recommendations referred to were set out in the External Auditor’s Audit Completion Report that the Committee considered at its November meeting. These recommendations have now been included within the table of outstanding issues report elsewhere on the agenda to ensure that their progress can be effectively monitored by the Committee.

**BACKGROUND PAPERS FOR THE DECISION**

None

**APPENDICES**

**ATTACHED** External Auditor’s Annual Audit Letter for the year ended 31 March 2020