

<b>Audit Committee</b>	
<b>Meeting Date</b>	26 October 2021
<b>Report Title</b>	Annual Financial Report 2020/21 and Audit Findings Report
<b>Cabinet Member</b>	Cllr Roger Truelove, Leader and Cabinet Member for Finance
<b>SMT Lead</b>	Lisa Fillery, Director of Resources
<b>Head of Service</b>	Phil Wilson, Head of Finance and Procurement
<b>Lead Officer</b>	Phil Wilson, Head of Finance and Procurement
<b>Classification</b>	Open
<b>Recommendations</b>	<p>Members are asked to:</p> <ol style="list-style-type: none"> <li>1. Note the external auditor's Audit Findings Report (Appendix I);</li> <li>2. Approve the Letter of Representation (Appendix II) on behalf of the Council;</li> <li>3. Approve the Annual Financial Report for the year ended 31 March 2021 including the Annual Governance Statement (Appendix III) including the adjustments set out in the Audit Findings Report.</li> <li>4. Approve that the Chairman of this Committee signs and dates the Annual Financial Report for the year ended 31 March 2021.</li> </ol>

## **1. Purpose of Report and Executive Summary**

- 1.1 This report seeks the Audit Committee's approval of the Council's Annual Financial Report for 2020/21 and includes the external auditor's Audit Findings Report for their consideration.

## **2. Background**

### Audit Findings Report

- 2.1 Grant Thornton UK LLP has been the Council's external auditors since 1 September 2012. Their audit of the financial statements began in August 2021.
- 2.2 The Audit Findings Report highlights the key matters arising from the audit of the Council's Annual Financial Report for the year ended 31 March 2021. It is also used to report the audit findings to management and those charged with governance. Grant Thornton are required to report whether the Council's Annual Financial Report presents a true and fair view of the financial position, its expenditure and income for the year and whether they have been properly prepared. They are also required to reach a formal conclusion on whether the Council has put in place proper arrangements to secure value for money.

- 2.3 The Audit Findings Report is Appendix I. Grant Thornton will present this report to the Committee on 26 October.

#### Letter of Representation

- 2.4 The letter sets out assurances from the Council to Grant Thornton that relevant accounting standards have been complied with and gives further assurances that the Council has disclosed information where to withhold it would have undermined the accuracy and reliability of the Annual Financial Report. The letter also covers the responsibilities of the Director of Resources and those of the Council in producing the Annual Financial Report for the Council. Grant Thornton require the Audit Committee to approve the Letter of Representation before they can issue their opinion and conclusion on the Council's accounts for 2020/21.
- 2.5 The Letter of Representation is Appendix II. Grant Thornton will present this to the Committee on 26 October.

#### Annual Financial Report 2020/21

- 2.6 Appendix III is the Annual Financial Report for the year ended 31 March 2021. This is the version published in July 2021 and Grant Thornton will detail any proposed amendments to the Annual Financial Report in their Audit Findings report (Appendix I).
- 2.7 There has been a change in the timetable for publication and approval of the Annual Accounts for 2020/21. The Accounts and Audit (Amendment) Regulations 2021 extended the statutory audit deadlines for 2020/21 and 2021/22 for all local authorities. The unaudited accounts had to be published by 31 July 2021 and the publication date for audited accounts was 30 September 2021 for all local authority bodies.
- 2.8 The draft unaudited accounts were published on 29 July 2021 and due to limited auditor capacity, the completion date for the audit date of the financial statements was delayed to October 2021.

### **3. Proposals**

- 3.1 The Annual Financial Report for the year ended 31 March 2021 is attached as Appendix III.
- 3.2 The Director of Resources and the Head of Finance and Procurement would like to express their thanks to Grant Thornton for their efforts in completing the required audit work in time for reporting to this Committee. As in the past, the Director of Resources and the Head of Finance and Procurement will work with the external auditors to review the accounts and to continue to maintain and improve them in the future.

### **4. Alternative Options**

- 4.1 The Annual Financial Report has been prepared in accordance with statutory accounting principles. No other options have been considered as it is a legal requirement that the financial statements are prepared and signed by the person presiding at this meeting.

## 5. Consultation Undertaken or Proposed

5.1 Consultation has taken place with Grant Thornton throughout this process.

## 6. Implications

Issue	Implications
Corporate Plan	Good financial management is key to supporting the Corporate Plan objectives.
Financial, Resource and Property	The External Auditor's opinion is that the Council's accounting statements give a true and fair view of the financial position of the Council as at 31 March 2021 and its income and expenditure for the year then ended.
Legal, Statutory and Procurement	The production of the financial statements is a legal requirement under the 2015 Accounts and Audit regulations as amended by the Accounts and Audit (Amendment) Regulations 2021.
Crime and Disorder	No direct issues
Environment and Climate/ Ecological Emergency	No direct issues
Health and Wellbeing	No direct issues
Safeguarding of Children, Young People and Vulnerable Adults	No direct issues
Risk Management and Health and Safety	No direct issues
Equality and Diversity	No direct issues
Privacy and Data Protection	No direct issues

## 7. Appendices

7.1 The following documents are to be published with this report and form part of the report:

7.1.1 Appendix I: Audit Findings Report

7.1.2 Appendix II: Letter of Representation

7.1.3 Appendix III: Annual Financial Report for the year ended 31 March 2021

## 8. Background Papers

8.1 Detailed working papers are held in the Finance Department.