

EXTERNAL AUDITOR'S ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

**To:**

Civic Affairs Committee 02/02/2022

Report by:

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Wards affected:

All

1. Introduction

- 1.1 The attached Auditor's Annual Report from EY (Appendix 1) summarises the key issues arising from the external audit of the 2020-21 Statement of Accounts.
- 1.2 The Local Audit and Accountability Act 2014 requires the Auditor's Annual Report to be considered by a committee of the Council. For this Council, the relevant committee is the Civic Affairs Committee.

2. Recommendations

- 2.1 To note the contents of the Auditor's Annual Report for the year ended 31 March 2021.

3. Background

- 3.1 The Committee received EY's Audit Results Report at its meeting on 22 September 2021. At the time of issuing the report, there were a number of areas of outstanding audit work to complete before the Statement of Accounts could be signed off. Authority was therefore delegated to the Chair, in consultation with the Opposition Spokes, to approve any further amendments to the Statement of Accounts (provided that these did not have a material impact on the Council's reserves or result in any changes to the auditor's opinion).

- 3.2 Audit work was completed shortly after the meeting, and the Statement of Accounts 2020/21 was authorised for issue by the Head of Finance and Chair of the Civic Affairs Committee on 30 September 2021. The audit opinion, which was unqualified, was issued on the same date.
- 3.3 The audited Statement of Accounts was published on the Council's website on 30 September 2021, in line with the statutory deadline. The Council was amongst only 9% of local authorities to publish their Statement of Accounts on time this year.
- 3.4 The Code of Audit Practice issued by the National Audit Office has been revised with effect from 2020/21. The new Code requires auditors to publish an Auditor's Annual Report (replacing the old Annual Audit Letter), summarising the results of all of their audit work throughout the year. In particular, there is a new requirement to include a commentary on the Council's arrangements to secure value for money against three specified reporting criteria. The 2020/21 report is attached at Appendix 1, and a representative from EY will be present at the meeting to answer any questions.
- 3.5 Per page 26 of the report, the final audit fee for 2020/21 is yet to be fully discussed with management. Any additional fee to be charged will need to be agreed by PSAA Ltd, in their role as appointing body. The report does now confirm the final audit fee in respect of 2019/20, for which the PSAA determination process has now been completed.

4. Implications

a) Financial Implications

See paragraph 3.5.

b) Staffing Implications

None.

c) Equality and Poverty Implications

None.

d) Net Zero Carbon, Climate Change and Environmental Implications

None.

e) Procurement Implications

None.

f) Community Safety Implications

None.

5. Consultation and communication considerations

The Auditor's Annual Report has been published on the Council's website as required by legislation.

6. Background papers

No background papers were used in the preparation of this report.

7. Appendices

Appendix 1 – Auditor's Annual Report 2020-21

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jody Etherington, Deputy Head of Finance, tel: 01223 - 458130, email: jody.etherington@cambridge.gov.uk.