

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 11</b>
<b>25 JULY 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth – Interim Corporate Director of Resources	
Cabinet Member(s) responsible:	Cllr Coles – Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Cecilie Booth – Interim Corporate Director of Resources	Tel. 384564

**VERBAL UPDATE – AUDIT RESULTS REPORT FOR YEAR ENDED 31 MARCH 2021**

R E C O M M E N D A T I O N S	
<b>FROM:</b> Cecilie Booth – Interim Corporate Director of Resources	<b>Deadline date:</b> 25 July 2022
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Receive and note the verbal update of the “Audit Results Report – (ISA260)” for the year ended 31 March 2021 from Ernst &amp; Young (EY) on behalf of the Council which has been delayed until August 2022.</li> </ol>	

**1. ORIGIN OF REPORT**

- 1.1 Receive and note the verbal update of the “Audit Results Report – (ISA260)” for the year ended 31 March 2021 from Ernst & Young (EY) on behalf of the Council which has been delayed until August 2022.

**2. PURPOSE AND REASON FOR REPORT**

- 2.1 This is a report covering the update from Ernst Young regarding the “Audit Results Report – (ISA260)” for 2020/21.
- 2.2 Neil Harris (EY) confirmed that the 2020/21 SoA would not be ready for the July Audit Committee as originally planned in the last update to Committee. The following factors which remain outstanding are:
  - Accounting for infrastructure – this is a national issue and reflects the historic approach to accounting for infrastructure assets on a Council’s balance sheet. Instruction / guidance from CIPFA is required, as the Council has accounted for this correctly per the Code which is being challenged nationally by the Auditors. An EY auditor approach based on this declaration from CIPFA therefore also remains outstanding, which in turn impacts on the work the Council is required to complete.
  - Going Concern - due to the delays caused from the above point, the Going Concern note may need to be revised again due to the delays between drafting and the final sign off of the Accounts. EY require an internal four-week consultation process on each update of the Note.
  - Empower - the FRC is undertaking a review of EYs 2019/20 audit file and there is a risk that further inquiries may result in an assessment being made as to the appropriateness of the Council's conclusion with regards to the Group Boundary. The Council has prepared its argument and provided to EY already However, there is a risk of a post balance sheet event and the Council awaits further feedback from EY.

- 2.3 This report is for the Audit Committee to consider under its Terms of Reference No.

*This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.1.5 To consider the external auditors annual letter, relevant reports, and the report to those charged with governance and 2.2.1.7 To comment on the scope and depth of external audit work and to ensure it gives value for money*

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	n/a
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**4. APPENDICES**

4.1 None