

7. EXTERNAL AUDIT 2021/22 AUDITORS ANNUAL REPORT (JW)

1. Purpose of the report

This report asks Members to consider the External Auditors' (Mazars) Annual Report for the year ended 31 March 2022. Mark Surridge of Mazars will be at the meeting to present the report.

Key Issues

- The External Auditor issued an unqualified audit opinion on the 2021/22 financial statements and an unqualified Value for Money (VFM) conclusion.
- The Audit Annual Report contains the summary of the Value for Money results that had not been concluded when the statement of accounts report was presented to Members in February 2023.

2. Recommendation:

1. To consider and note the External Auditor's Annual Report at Appendix 1

How does this contribute to our policies and legal obligations?

3. The work of the external auditors is a key part of our governance arrangements, helping us to monitor and improve performance to ensure the Authority has a solid foundation. It supported achievement of the 2019-2024 Corporate Strategy - that we have arrangements in place to secure economy, efficiency and effectiveness in all our operations (KPI22). This has been superseded by inclusion in the Authority Plan Objective D (Financial Resilience) for 2023/24 onwards.
4. Achieving an unqualified opinion on the financial statements and satisfying the Auditor that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources are corporate performance indicators.

Background Information

5. The duties and powers of auditors are set out in the Local Audit and Accountability Act 2014, the Local Government Act 1999, the Statement of Responsibilities of Auditors and Audited Bodies and the Code of Audit Practice. The Authority meeting considers the Auditor's Annual Report as part of its work programme.

Proposals

6. Since 2020/21, the Statement of Accounts the Code of Audit Practice has required the Authority's External Auditors to comment on the value for money arrangements of the Authority. The Auditors are required to report on significant weaknesses in the Authority's arrangements for securing economy, efficiency and effectiveness in use of resources instead of reporting a form of conclusions. The three criteria in the new Code of Practice are financial sustainability, governance and improving economy, efficiency and effectiveness. The report has found no risk or actual significant weaknesses in the Authority's VFM arrangements. The External Auditors Annual Report for 2021/22 is at Appendix 1.
7. The External Auditors issued the signed Auditors report on the Statement of Accounts for 2021/22 on 23 February 2023 and this was incorporated into the signed statement of accounts which was published on the Authority's website at that time. There were no

changes required to the final accounts presented to Members on 3 February 2023.

Are there any corporate implications members should be concerned about?

Financial:

8. The total fees of £20k for external audit are funded from the Finance service budget as approved by Members in February 2021. Central government gave all Local Authority additional financial support to meeting increasing audit fees and the Authority received £5.2k for 2021/22.

Risk Management:

9. The scrutiny and advice provided by external audit is part of our governance framework. The Auditor's work is based on an assessment of audit risk.

Sustainability:

10. There are no implications to identify in this report.

Equality, Diversity and Inclusion:

11. There are no implications to identify in this report.

12. Climate Change

There are no implications to identify in this report.

13. Background papers (not previously published)

None

14. Appendices

Appendix 1 - 2021/22 Auditor's Annual Report

Report Author, Job Title and Publication Date

Justine Wells, Head of Finance, 10 May 20232023