

AUDIT AND STANDARDS COMMITTEE

12 October 2022

Title: Audit Accounts 2019/20 Status Report	
Report of the Chief Financial Officer	
Open Report	For Decision
Wards Affected: All	Key Decision: No
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Accountable Director: Philip Gregory, Chief Financial Officer (Section 151 Officer)	
Accountable Strategic Leadership Director: Philip Gregory, Chief Financial Officer (Section 151 Officer)	
Summary This report informs the Committee on the status of the external audit of the Council's Statement of Accounts 2019/20 and that of the Pension Fund.	
Recommendation(s) The Audit and Standards Committee is recommended to note the contents of this report.	
Reason(s) It is a statutory obligation for the Council's Statement of Accounts to be produced and audited, and that the Statement of Accounts and the Annual Governance Statement must be approved by a Committee of the Council	

1. Introduction and Background

- 1.1 The external audit of the Council's Statement of Accounts 2019/20 has been subject to numerous delays. At the last meeting of the Committee in March 2022, an Interim Audit Completion Report was presented by BDO. However the final report was not submitted as there remained outstanding issues, particularly in relation to group accounting, the valuation of property, plant and equipment and accounting for infrastructure assets. At the last meeting in July 2022, the Committee expressed concern at the delay and the lack of representation from BDO.
- 1.2 The enclosed Audit Status Report outlines the primary reasons for the delay, and the challenges faced, and the outline timetable for completion.

2. Financial Implications

Implications completed by: Thomas Mulloy, Chief Accountant

- 2.1 Other than the audit fees previously mentioned in the Audit Plan, there are no financial implications arising from the report.

3. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 3.1 The Chief Financial Officer has a statutory duty, under Section 151 of the Local Government Act 1972, to ensure that there are proper arrangements in place to administer the Council's financial affairs. An essential component of sound administration is a sound audit function.
- 3.2 The Local Audit and Accountability Act 2014, established a new audit regime. Local Authorities must appoint a local auditor which in carrying out its' role must be satisfied that the authority has:
- made proper arrangements for securing economy, efficiency and effectiveness in its use of resources;
 - in its accounts comply with the requirements of the enactments that apply to them;
 - observed proper practices in the preparation of the statement of accounts and that the statement presents a true and fair view.
- 3.3 This is supported by the Code of Audit Practice, published by the NAO, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

Public Background Papers Used in the Preparation of the Report: None