

## AUDIT AND STANDARDS COMMITTEE

20 July 2022

<b>Title:</b> Accounts Audit Update - 2019/20	
<b>Report of the Chief Financial Officer</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
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<b>Accountable Director:</b> Philip Gregory, Chief Financial Officer (Section 151 Officer)	
<b>Accountable Strategic Leadership Director:</b> Philip Gregory, Chief Financial Officer (Section 151 Officer)	
<b>Summary</b>  This report is to note an update regarding the external audit of the Council's Statement of Accounts 2019/20 as well as these of the subsidiaries.	
<b>Recommendation(s)</b>  The Audit and Standards Committee is recommended to note the contents of this report.	
<b>Reason(s)</b>  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, a draft Audit and Completion report was provided. However the Committee was informed that that it would be subject to change. Further discussions between BDO and the Council have taken place. Unfortunately there remains outstanding issues particularly in relation to infrastructure. Therefore BDO are unable to provide a finalised version of the Audit Report.
- 1.2 A verbal update will be provided at this meeting to expand on the issues that are outstanding.

### 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**