



<b>Report to:</b>	Audit and Governance	1 <sup>st</sup> December 2022
<b>Lead Cabinet Member:</b>	Councillor John Williams, Lead Cabinet Member for Finance	
<b>Lead Officer:</b>	Peter Maddock, Head of Finance	

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## FINAL ACCOUNTS AND AUDIT UPDATE.

### Executive Summary

1. This report provides an update on the 2018/19 audit fees, the 2019/20 final accounts audit and the 2020/21 final accounts preparation.

### Recommendations

2. That Committee note progress on the 2019/20 Final Accounts audit and 2020/21 final accounts preparation.

### Details

#### Audit Fees 2018/19

3. At the last meeting of this committee it was reported that the 2018/19 audit fees were being reviewed by the Public Sector Audit Appointments (PSAA) awaiting a ruling on the appropriate level of fees for that year. At the time of writing this report this review is still ongoing. If there is an update available between now and the Committee meeting this will be given verbally.

#### Final Accounts Audit 2019/20

4. The audit of the accounts for 2019/20 is currently ongoing and whilst the planned completion was during November 2022 it is expected this will now be the end of December.
5. The Audit has been carried out in two stages; Initially starting in mid-June until the end of July and recommencing at the end of September. It is fair to say the process has been somewhat better than recent years partly due to significant preparation work ahead of the audit by the Council but also the improved communication and information exchange between the two teams. It is also worth noting that the audit teams approach to the audit has been helpful

6. It would have been foolish to think that after the significant issues with 2017/18 and 2018/19, the 2019/20 would be completely straight forward and whilst there have been a few instances of incomplete information being provided to the auditors these issues have been resolved quickly and not become protracted as in previous years. There have also been one or two minor delays in the process from both sides.
7. There are a number of competing demands on the finance team at the moment which also include the 2023/24 budget preparation but servicing the 2019/20 audit is currently the top priority for the team.
8. As reported above the audit is expected to be concluded by the end of December with the auditors results report being presented soon after. It is intended that an additional meeting be convened for 12<sup>th</sup> January to agree the final audited set of accounts for 2019/20.

## **Final Accounts Preparation 2020/21**

9. Whilst the 2019/20 audit of accounts is ongoing the 2020/21 statement of accounts are being prepared and it is expected that these will be completed by the end of December.
10. During the summer one of the two interim accountants left the organisation and was replaced by a further interim accountant. The new interim is very experienced in accounts closure and audit and has demonstrated extremely good technical accounting knowledge. Not only that, a new accounts preparation process had been introduced by them that saves a considerable amount of time and effort and when any change is required this can be done immediately. The new process has been demonstrated to the auditors and they have also referred to this in their report.
11. The time critical process in the 2020/21 accounts preparation is again the asset register work which is ongoing but is expected to be complete by the time of this committee.
12. If the accounts are completed by the end of December it is intended to bring a draft set to the additional meeting planned for January.
13. The intention at the moment is for the 2020/21 audit to commence during February 2023 but this is dependent on the successful completion of the 2019/20 audit, the completion of the draft 2020/21 accounts and audit resources being available at the appropriate time.

## **Options**

14. The report asks the committee to note the current position on the 2018/19 fees, the 2019/20 final accounts audit and the 2020/21 final accounts preparation.

## **Implications**

15. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

### **Financial**

16. There are no additional requirements over and above those currently deployed. The budget does currently include the temporary resources needed to get the accounts up to date.

### **Legal**

17. None identified.

### **Risks/Opportunities**

18. There is a risk that the proposed timeline may slip due to delays to; the completion of the 2019/20 audit, completion of the 2020/21 statement of accounts and/or the ability of the audit team to resource the audit at the required time.

### **Alignment with Council Priority Areas**

#### **A modern and caring Council**

19. Producing an annual statement of accounts is key to supplementing the financial information already in the public domain, to ensure the full transparency of the Council's financial affairs.

### **Appendices**

None

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