

<b>Committee(s):</b> Ordinary Council	<b>Date:</b> 2 <sup>nd</sup> December 2020
<b>Subject:</b> Chairs report for Audit and Scrutiny Committee	<b>Wards Affected:</b> All
<b>Committee Chair:</b> Cllr Charles Nolan	
<b>Report of:</b> Jacqueline Van Mellaerts, Director of Corporate Resources	<b>For Information</b>

### **Statement of Accounts 2019/20**

In the previous chairs report at the last Ordinary Council, members were advised that the Unaudited (Draft) Statement of Accounts 2019/20 and Annual Governance Statement was approved by Audit & Scrutiny on 28<sup>th</sup> July by the revised deadline of 31<sup>st</sup> August. The minutes of this meeting have been reviewed and the recommendations clearly state the unaudited accounts were approved.

Members were also advised that External auditors EY LLP are scheduled to commence the audit on 21<sup>st</sup> September and complete on 31<sup>st</sup> October 2020. For Local Authorities the publication date for audited 2019/20 accounts has moved from 31<sup>st</sup> July to 30 November 2020, because of COVID-19.

The latest Audit & Scrutiny Committee took place on 24<sup>th</sup> November, in order to adhere to the revised publication deadline. The Audit Results Report has been received from EY and a presentation was made on their findings.

At the time of writing the report the auditors have raised some outstanding matters that need to be completed before the audit opinion can be given. Subject to satisfactory completion it is expected to issue an unqualified opinion.

The auditors also advised their audit opinion, subject to consultation, is likely to emphasise the following:

- Valuation of investment properties and other land and buildings valued using market data – We expect to include an “emphasis of matter” paragraph to draw users attention to the Council’s valuer’s material uncertainty disclosure in Note 38 of the accounts. This is not a modification to the audit report.
- Going concern – given the significance of the Covid-19 pandemic on the financial operations and financial management of the Authority we have been required to complete additional procedures in respect of Going Concern and assess management’s disclosure covering the Council as a single entity and also in respect of its wholly owned subsidiary. Depending on our review of that information and responses there may be an impact on our audit report for 2019/20. Once we have obtained and reviewed the Council’s assessment and proposed disclosure, our final audit report will be subject to internal consultation with our professional practice directorate.

There were a number of adjusted differences that will be updated by management in the final statement of accounts, and two unadjusted differences that will not be corrected by management.

## **Internal Audit Progress**

The following reports have been finalised since the last committee and were reported to Audit and Scrutiny Committee on 24<sup>th</sup> November 2020 against the 2020/21 plan.

- Performance Management & Formal Complaints (Substantial/Moderate)
- Sickness Absence (Substantial/Limited)
- Corporate Strategy (Substantial/Moderate)
- Fraud Risk Assessment (N/A – advisory)

## **Risk Management & Strategy**

The Committee regularly review the councils strategic and operational Risk Registers.

On the Strategic Risk Register the committee noted that one new risk had been added, one risk had increased and three risks had reduced. All other risk scores remained the same.

Of the high-level operational risks, one score had increased and two transferred to the strategic register. The other six risks scores remained the same from the last Committee in July.

## **Scrutiny Work Programme**

In the previous chairs report, members were advised that the chair also suggested to the committee that they consider reviewing the first year of the Council's Housing repairs and maintenance contract with axis. A presentation was given by axis at the last committee and a working group has been added to the programme. Regular feedback from LDP and Performance and Complaints workings groups were reported.