



Report to: Audit & Governance Committee Meeting 6 April 2023

Director or Business Manager Lead: Nick Wilson – Business Manager – Financial Services

Report Summary	
<b>Report Title</b>	External Auditors' Annual Report
<b>Purpose of Report</b>	To present the External Auditors' Annual Report.
<b>Recommendations</b>	That the Committee receive and note the contents of the report.
<b>Reason for Recommendation</b>	To ensure Committee members are aware of the status of the 2021/22 external audit.

## **1.0 Background**

- 1.1 The external auditor issues an Auditors' Annual Report (AAR) in compliance with the International Standards on Auditing. The significant findings from the audit are reported in the Annual Audit Report, together with the action taken in respect of these findings. The report also gives the auditor's opinion on the Statement of Accounts.

## **2.0 Auditors' Annual Report**

- 2.1 The document at Appendix A is the Auditors' Annual Report which summarises the work the External Auditors (Mazars) have undertaken as the auditor for NSDC for the year ended 31 March 2022.
- 2.2 It includes how Mazars have discharged their responsibilities and the findings from their work. These are summarised as:
- a) Their opinion on the Council's financial statements;
  - b) The work completed regarding the Council's Value for Money (VFM) arrangements;
  - c) An update on their work on the Whole of Government Accounts (WGA), and

d) Their wider reporting responsibilities.

2.3 Section 2 refers to the Audit of the Financial Statements, which was reported at the previous Committee, held on the 1<sup>st</sup> February 2023, and that their audit report, issued on the 5<sup>th</sup> January 2023, gave an unqualified opinion on the financial statements for the year ended 31<sup>st</sup> March 2022.

2.4 Section 3 relates to the requirement to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is set out into three reporting criteria:

- a) Financial sustainability
- b) Governance
- c) Improving economy, efficiency and effectiveness

2.5 The report details that no significant weaknesses were identified as part of their work in any of the three categories.

2.6 As Mazars are yet to receive instructions from the National Audit Office they are currently unable to commence work in relation to the WGA.

### **3.0 Implications**

3.1 In writing this report and in putting forward recommendation's officers have considered the following a range of implications. This report in itself does not have any implications. During the risk reviewing process any controls that are identified are considered in terms of the implications they may have before they are agreed as an appropriate control.

#### **Financial Implications (FIN23-24/9822)**

3.2 The proposed fees for the year are £47,813, which is inline with the previous financial year, subject to the cost in respect of the VFM work. This is still to be finalised and will be brought back to this Committee at the earliest opportunity once this is agreed.

### **Background Papers and Published Documents**

None for this report