

AUDIT AND ACCOUNTS COMMITTEE
25 NOVEMBER 2020

EXTERNAL AUDITORS' SUPPLEMENTARY LETTER TO ANNUAL AUDIT COMPLETION REPORT

1.0 Purpose of Report

- 1.1 To present Members with the External Auditors Supplementary Letter to the Annual Audit Completion Report, this is attached at Appendix A.

2.0 Background Information

- 2.1 The external auditor issues an Annual Audit Completion Report in compliance with the International Standards on Auditing. The significant findings from the audit are reported in the Annual Audit Completion Report, together with the action taken in respect of these findings. The report also gives the auditor's opinion on the Statement of Accounts and the Value for Money conclusion.
- 2.2 The Annual Audit Completion Report was brought to the last committee along with the draft audited statement of accounts and it was noted that a supplementary letter would be issued to the committee to communicate the conclusion of those matters that were marked as outstanding within the Audit Completion Report. Attached at appendix A is the letter from Mazars and also attached at appendix B is the full Audit Completion Report for ease of reference.

3.0 Statement of Accounts

- 3.1 The Council's Statement of Accounts for 2019/20 is considered elsewhere on this agenda.
- 3.2 The Audit Completion report – follow up letter identifies that 3 out of the 4 outstanding audit items have been completed with no matters to report. However, at the time of writing this report, the audit area for Pensions is currently still ongoing. This is due to the external auditors of the Nottinghamshire Pension Fund not yet replying to our auditors request for supplementary procedures, on their behalf, for additional verification and therefore our external auditors are unable to gain satisfactory assurance over the net pension liability figure within our accounts.
- 3.3 Due to the above, which is out of the Councils control, the letter also indicates there may be a requirement to insert an 'emphasis of matter' paragraph in their report and the report also states that the auditors are uncertain as to whether or not they will be able to issue their audit report prior to the statutory deadline of 30 November. These matters are discussed further on agenda item 'Statement of Accounts and AGS' section 4.
- 3.4 The management of representation letter requires to be authorised, this isn't anticipated to change as there is already a paragraph in their regarding estimation of uncertainty and this report seeks the committee to approve the letter of representation on behalf of the Council.

4.0 RECOMMENDATIONS that:-

- (a) the Committee receives the External Auditors Annual Audit Completion Report Supplementary Letter for 2019/20;**
- (b) the letter of representation signed by the Director of Resources – S151 Officer and the Chair of the Committee, be approved.**

Background Papers

Nil

For further information please contact Nick Wilson, Business Manager - Financial Services on extension 5317.

Nick Wilson
Business Manager - Financial Services