

AUDIT AND ACCOUNTS COMMITTEE

3 FEBRUARY 2021

EXTERNAL AUDITOR'S ANNUAL AUDIT LETTER 2019/20

1.0 Purpose of Report

- 1.1 To present the External Auditor's Annual Audit Letter for 2019/20 for Newark & Sherwood District Council.
- 1.2 The Annual Audit Letter summarises the key findings from the external audit work carried out by Mazars in 2019/20. It covers the 2019/20 Statement of Accounts and the Value for Money conclusion for the same year.

2.0 Background Information

- 2.1 Mazars presented details of the findings from the audit of the 2019/20 financial statements in their Audit Completion Report at the 25th November 2020 meeting of the Audit & Accounts Committee, and informed Members that they proposed to give an unqualified opinion on the statements.
- 2.2 At the same meeting Mazars also proposed to issue an unqualified opinion on the council's arrangements to secure economy, efficiency and effectiveness – the Value for Money (VfM) conclusion.
- 2.3 Unqualified audit opinions for both of these pieces of work were issued on 7th December 2020.

3.0 Financial Implications (FIN20-21/4469)

- 3.1 The original fee proposed for the delivery of the audit for the 2019/20 financial year was £37,213.
- 3.2 As suggested within the report, the final fee is £52,312 due to the additional work pressures around the change in the Council's group boundary, the additional testing on PPE and the pension scheme, together with increases relating to the material valuation uncertainty statement, additional consideration of estimation uncertainty in the going concern status and changes impacting pension liabilities through the McCloud and Goodwin legal cases. This amounts to an increase of £15,099. This will be apportioned over the General Fund and HRA as appropriate.
- 3.3 The additional fee has been factored into the latest budget monitoring forecast outturn position as presented to Policy and Finance Committee on 21st January 2020.

4.0 RECOMMENDATIONS that:-

- 4.1 **The Committee consider the External Auditor's Annual Audit Letter for 2019/20.**

Background Papers

External Auditor's Annual Governance Report 2019/20
N&SDC 2019/20 Opinion and Value for Money Conclusion

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