

AUDIT COMMITTEE
26 APRIL 2023

AUDIT OF ACCOUNTS 2020-21

SUMMARY REPORT

Purpose of Report

1. To present a report by the Council's external auditors, Ernst and Young LLP (EY), on the audit for the year ended 31 March 2021.

Summary

2. In accordance with the Accounts and Audit (Amendment) Regulations 2021, all Local Authorities were required to produce the draft annual Statement of Accounts by 31 July 2021 and an audited set published by 30 September 2021. These regulations have temporarily relaxed the previous deadlines for producing the draft accounts and completion of final audited accounts.
 3. As outlined to this Committee on 28 July 2021, although our external auditor (Ernst & Young) were not in a position to deliver the audit by the statutory deadline they have subsequently now substantially completed the audit.
 4. The reason for the delay has been a national issue of a technical nature involving Infrastructure Assets which has now been substantially resolved with the advent of a work around that Darlington have taken advantage of in the 20/21 Accounts process.
 5. The external auditors are required by the Public Sector Audit Appointments Ltd (PSAA) to report to Members issues arising from the accounts audit. The Audit Results Report (**Annexe 1**) previously circulated and attached for information hasn't changed but a representative from EY will give a verbal update on any subsequent findings.
 6. EY are also required to report to management and the Audit Committee any significant deficiencies in internal control identified during their audit. In this regard, EY have not raised any significant matters.
 7. EY are expected to:
 - Give an unqualified opinion on the Council's 2020/21 accounts;
 - Conclude that the Council have put in place proper arrangements to secure value for money in its use of resources.
 - Confirm that the Council's Annual Governance Statement is not misleading or inconsistent with other information known to them.
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Outcome of Consultation

8. The content of this report was not subject to consultation.

Recommendation

9. It is recommended that:-

- a) The Auditor's Audit Results Report on the Council's 2020-21 financial statements be noted.
- b) Members note the Letter of Representation in Appendix B of the Audit Results Report
- c) The Audit Committee is requested to note (and subsequently approve when the audit is complete) the attached IFRS compliant Statement of Accounts at **Annex 2** for the 2020-21 financial year.

Reasons

10. The recommendation is supported as it comprises part of the Council's corporate governance arrangements

Elizabeth Davison
Group Director of Operations

Background Papers

- (i) Council's accounts 2020-21
- (ii) EY Audit Results Report 2020/21

Peter Carrick: Extension 5401

S17 Crime and Disorder	There are no specific issues which relate to crime and disorder.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact	There is no specific carbon impact
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
Council Plan	There is no specific relevance to the Council Plan beyond the report comprising part of the Council's governance arrangements.

Efficiency	There is no specific efficiency impact.
Impact on Looked After Children and Care Leavers	The report does not impact upon Looked After Children or Care Leavers.