

 Finance and Audit Scrutiny Committee 19 August 2020		Agenda Item No. 4
Title	Audit Progress Report	
For further information about this report please contact	Mike Snow 01926 456800 Andrew Rollins 01926 456013	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	10/8/2020	Andrew Jones
Head of Service	10/8/2020	Mike Snow
CMT	10/8/2020	
Section 151 Officer	10/8/2020	Mike Snow
Monitoring Officer	10/8/2020	Andrew Jones
Finance	10/8/2020	Andrew Rollins
Portfolio Holder(s)	10/8/2020	Richard Hales
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?	Yes/No	
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 The audited Statement of Accounts were due to be signed off by this Committee on 19 August. With the current working arrangements, there have been some delays to the completion of the audit. This is discussed more fully within the attached Audit Progress Report from the External Auditors.

2. Recommendation

- 2.1 It is recommended that the Committee note this report and the report of the External Auditors.

3. Reasons for the Recommendation

- 3.1 Members will be aware that under the latest Accounts and Audit Regulations, the normal deadline for the Council's audited Statements of Accounts to be signed off is 31 July. Members have been updated previously on how the regulations have been changed for this year, with the deadline now being 30 November. However, it was still the intention of the Council and the auditors to keep to the original deadline as far as possible, as previously reported. Recently, it had been intended to be reporting the audited Statement of Accounts and the Auditor's Audit Findings Report to this Committee on 19 August.
- 3.2 Recent discussions with the external auditors have confirmed that it will not be possible. The reasons for this delay largely relates to problems with the current virtual and home working arrangements. Some elements of the audit are still best considered in a face to face, office environment.
- 3.3 The external auditors have submitted the Attached Audit Progress Report. This details some of the elements of the audit that still remain to be completed. It also provides some details about some of the problems encountered with the current audit.
- 3.4 Whilst the audit is not complete, the auditors have not raised any significant concerns with the draft accounts. Also, they are not expecting to encounter any problems as they complete their work.
- 3.5 Overall, the auditors estimate that the audit will take an additional 10 days to complete. All parties are very keen for the work to be completed as soon as possible, certainly before the end of August. The Audit Findings Report is expected to be issued in early September. This would then be reported to the Committee at the end of September.
- 3.6 With this delay to the audit, the Council is still in a very strong position compared to many local authorities. In some cases, the 2018/19 Accounts remain unsigned. Some authorities are expecting their audit to progress towards the 30 November deadline.

4. Policy Framework

4.1 Fit for the Future (FFF)

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Becoming a net-zero carbon organisation by 2025 Total carbon emissions within Warwick District are as close to zero as possible by 2030 Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
The audited accounts support all strands of FFF by way of confirming how the Council is using its resources.		
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers’ needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
The audited accounts support all strands of FFF by way of confirming how the Council is using its resources.		

4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies. The 2019/20 Accounts are consistent with the relevant supporting strategies.

4.3 **Changes to Existing Policies**

No changes to existing policies are proposed.

4.4 **Impact Assessments**

The Council's Final Accounts cover the community throughout the District. It is a statement of fact and officers will have considered any impact when amending their budgets.

5. **Budgetary Framework**

- 5.1 The original cost for the audit of the Accounts was agreed at £41,290, with an additional proposed £7,500 variation as reported to members in May. With the additional time required to complete the audit, it is uncertain as to whether this will be an additional charge for the Council. Fee variations are normally agreed by Public Sector Audit Appointments (PSAA), the body responsible for appointing external auditors. With most local authorities and auditors encountering similar problems, it is likely that a national approach will be proposed. In terms of the overall fee, an auditor working an extra 10 days should not amount to a significant increase to the fee.

6. **Risks**

- 6.1 The audit to date has not raised any significant risks.

7. **Alternative Option(s) considered**

- 7.1 In view of the current working arrangements and the progress on the audit, no alternative options are proposed.