

Title of Report	2019/20 ANNUAL AUDIT LETTER	
Presented by	Dan Bates Head of Finance and Section 151 Officer	
Background Papers	Report to those charged with governance – Audit and Governance Committee 24 November 2020 2019/20 Audit Completion Report – Audit and Governance Committee 20 January 2021	Public Report: Yes/No
Purpose of Report	To report the receipt of the Annual Audit Letter.	
Recommendations	THAT THE 2019/20 ANNUAL AUDIT LETTER BE NOTED.	

1.0 BACKGROUND

- 1.1 Our External Auditor, Mazars LLP, were responsible for the external audit of the Council's financial statements and Value for Money arrangements for the 2019/20 financial year.
- 1.2 On 24 November 2020 Mazars reported their findings of the audit to the Committee, pending conclusion of the audit, which at that time was subject to assurance being received from the Leicestershire County Council pension fund auditors. The auditors issued a secondary report and updated Committee on 20 January 2021. The report provided an update following receipt of assurance over the pension fund. At the time of the meeting, the audit had not concluded but the auditors anticipated issuing an unqualified opinion on the financial statements and concluding that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.
- 1.3 The audit was concluded on the 17 February 2021 and the audited version of the accounts were published.
- 1.4 The Annual Audit Letter (Appendix A) provides a summary of the audit work undertaken for last year. A representative from Mazars will be in attendance at the meeting to present their report to the committee. This letter was shared with members via email in February and was also loaded onto the council's website, so it is publicly available.
- 1.4 The report details the fees for undertaking the annual audit for 2019/20 which is £38,902.
- 1.5 Further costs totalling £12,099 were incurred as a result of the need for Mazars to carry out additional work and these have subsequently been agreed by the Head of Finance. £7,067 of this was in relation to additional testing on Property, Plant and Equipment and Defined Benefit Pensions Schemes and £5,032 was in relation to additional costs associated with the impact of 'Material Valuation Uncertainty' in Council's Assets and its share of Pension Fund Assets, updating audit risk assessments, additional considerations of estimation uncertainty in going concern and changes impacting pension liabilities through McCloud and Goodwin.

Policies and other considerations, as appropriate	
Council Priorities:	Effective management of the council's finances underpins the delivery of all council priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	None
Risks:	The Council's governance arrangements are a fundamental part of the Authority's management of risk and contribute towards good corporate governance.
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