

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

**AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 26
APRIL 2023**



Title of Report	ANNUAL AUDITORS REPORT 2020/21	
Presented by	Glenn Hammons Interim Head of Finance and Section 151 Officer	
Background Papers	<u>2020/21 Audit Completion Report</u> – Audit and Governance Committee 15 March 2023	Public Report: Yes
Purpose of Report	To report the Annual Auditors Report for 2020/21 to the Audit and Governance Committee.	
Recommendations	THAT THE AUDIT COMMITTEE COMMENTS AND NOTES ON THE ANNUAL AUDITORS REPORT 2020/21.	

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 15 March 2023 reported their findings of the audit to the Committee in the Audit Completion Report. 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. A Follow Up Letter report has been issued by the auditors and is a separate report on the same agenda.
- 1.3 The Annual Auditors Report (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.
- 1.4 The report details the fees for undertaking the annual audit for 2020/21 which is £38,902 and the total fee is now £76,782 as detailed in the table below.

Table 1 Audit Fees 2020/21

Area of work	2020/21 fees
Scale fee in respect of our work under the Code of Audit Practice	£38,902
Additional fees in respect of the new VFM approach (Year 1)	£8,770
Additional fee for VFM significant weaknesses	£3,000
Additional fees in respect of:	
• Prior period error	£4,080
• Additional testing on IAS19 Pension Liabilities*	£3,740
• Additional testing on valuation of land, buildings, council dwellings and investment properties*	£6,200
• Additional work arising from introduction of new auditing standards (ISA 540 Estimates)	£3,590
• Additional checks required for the emphasis of matters in relation to the material valuation uncertainty clause caused by covid-19	£1,000
• Delayed audit, including redeployment of staff, and addressing issues in asset valuation and other audit adjustments	£7,500
Total fees	£76,782

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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