

## AUDIT AND GOVERNANCE COMMITTEE

8<sup>th</sup> November 2021

Report Title	Audit Results Report 2020-2021 Borough Council of Wellingborough	
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Contributors/Checkers/Approvers		
North MO		
North S151		
Other Director/SME	N/a	N/a

### List of Appendices

#### Appendix A – ISA 260

#### Appendix B – Management Representation Letter

### 1. Purpose of Report

- 1.1. The purpose of this report is to present the draft ISA 260 Report in relation to the Statement of Accounts for the Borough Council of Wellingborough for 2020/21 to those charged with Governance. The report has been prepared by the Council's External Auditor (Ernst and Young (EY)), and to agree that the approval of the Council's draft Management Representation Letter be delegated to the Chair of the Audit and Governance Committee in consultation with the Executive Director of Finance (S151).

### 2. Executive Summary

- 2.1. This report requires the Committee to approve the Provisional Audit Results Report (draft ISA 260) and the Council's draft Management Representation Letter.

### 3. Recommendations

- 3.1. It is recommended that the Committee;
- a) Receives the Provisional Audit Results Report to those charged with governance and approves the draft Management Representation Letter.

- b) Delegates any adjustments to the draft Management Representation Letter to the Council's Chair of the Audit & Governance Committee. in consultation with the Executive Director of Finance (s151 Officer).

### 3.2. Reason for Recommendations –

- It is a statutory requirement for the Council to approve the ISA 260. In accordance with the Council's constitution the Audit and Governance Committee are required to undertake this function.

## 4. Report Background

- 4.1. In order to comply with the statutory requirements of the Accounts and Audit Regulations 2015, the Responsible Financial Officer is usually required to issue the Statement of Accounts by 31<sup>st</sup> May each year. However due to the impact on Local Authorities of COVID-19, the Accounts and Audit (Amendment) Regulations 2021 extended the deadline for all Local Authorities to 31<sup>st</sup> July for accounts relating to 2020/21. The accounts for Wellingborough Borough Council were duly signed on the 23<sup>rd</sup> August 2021.
- 4.2. The Councils governance arrangements require this Committee to receive and approve the Statement of Accounts for the former District and Borough Councils in North Northamptonshire.
- 4.3. The accounts for the Borough Council of Wellingborough remain in draft format as the following issues are to be concluded:

## Appendix D

### Outstanding matters




The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Group Audit	EY review of consolidation journals, intercompany eliminations Consider the impact that Covid-19 has on WBS's going concern assessment Discussion of any queries with management or any further information to be provided	EY, Management and Component auditor (DNG)
Pension - IAS19	Pension Fund auditor final report outstanding	EY and Management
PPE and Investment Property Valuations	EYRE to issue final report on their review of PPE and Investment Property Valuations and resolve queries with management	EY and Management
Finalisation of Value For Money audit work	To discuss with management any queries that may arise	EY and Management
Completion of procedures required for whole of government accounts	Submission of assurance statement to be undertaken	EY
Going Concern disclosures	Complete EY consultation procedures on appropriateness of going concern disclosures.	EY and Management
Completion of subsequent events review	Procedures performed up to the date of signing	EY and Management

## Appendix D

### Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item 	Actions to resolve 	Responsibility 
Clearance of queries arising from review by Associate Partner and Manager	Ongoing review process	EY
Final version of financial statements	Review of final version of accounts	EY
Receipt of the signed management representation letter	To be provided prior to final sign off of the audit opinion	Chief Financial Officer/Chair of Audit and Governance Committee

- 4.4. A further requirement is for the Council to provide representations on specific matters such as the Council's financial standing and whether the transactions within the accounts are legal and unaffected by fraud. The draft Management Representation Letter detailed at Appendix B sets out that the accounts have been prepared in accordance with statutory legislation and fairly represent the transactions of the Council and no additional disclosures are required in the financial statements, over and above those already disclosed. A final Management Representation Letter will be issued once the items in 4.3 are concluded.
- 4.5. A representative of the Council's appointed auditor will be at the meeting to present the report and answer Member questions.

## 5. Issues and Choices

- 5.1. The Committee is being requested to approve the provisional Audit Results Report (draft ISA 260) for the Borough of Wellingborough Council and delegate authority for any non-material adjustments to the draft Statement of Accounts to the Council's Executive Director of Finance (s151 Officer), in consultation with the Chair of the Audit & Governance Committee.
- 5.2. It is a statutory requirement for the Council to approve the annual Statement of Accounts and to consider the External Auditors report (Item x on this Agenda). In accordance with the Council's constitution the Audit & Governance Committee are required to undertake this function.

## 6. Implications (including financial implications)

### 6.1. Resources and Financial

- 6.1.1. The financial implications are set out within the Provisional Audit Results Report.

## 6.2. **Legal**

6.2.1. The approval of the ISA 260 is required for the Council to meet its legal responsibilities under the Accounts and Audit Regulations 2015.

## 6.3. **Risk**

6.3.1. The Council's External Auditors have set out the risks in their Provisional Audit Results Report (Appendix A).

## 6.4. **Consultation**

6.4.1. None specific to this report.

## 6.5. **Consideration by Scrutiny**

6.5.1. Not specific to this report.

## 6.6. **Climate Impact**

6.6.1. None specific to this report.

## 6.7. **Community Impact**

6.7.1. None specific to this report.

## 7. **Background Papers**

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7.1. Council Constitution.