

Status of Report: Public

Meeting: Corporate Governance Committee

Date: 9 March 2022

Subject: External Auditor's Annual Report 2020/21

Report by: The Treasurer

Author: Colin Sharpe, Deputy Director of Finance, Leicester City Council

For: Noting and comment

Purpose

1. The purpose of this report is to present the External Auditor's Annual Report for 2020/21, attached as Appendix A to this report.

Recommendation

2. The Corporate Governance Committee is asked to:
 - a) Note the External Auditor's Annual Report for 2020/21, attached at Appendix A.
 - b) Make any observations to the Treasurer and/or the CFA.

Executive Summary

3. The CFA at its meeting on 2 December 2021 approved the 2020/21 Annual Statement of Accounts and noted the auditor's Audit Completion Report to those charged with governance and the recommendations contained within it.
4. The external auditor has recently completed the Value for Money assessment and has therefore issued the annual report, which is presented to this Committee for consideration.
5. The audit cannot be finally signed off until the Whole of Government Accounts work is completed. This is still unable to proceed, as the Government has not yet issued the necessary instructions.

Background

6. The External Auditor's Annual Report summarises the work undertaken for the year ended 31 March 2021. It is intended to be read by the Authority and a wider external audience. It is presented to this Committee for consideration due to the governance focus and will then be reported to the next meeting of the CFA.

7. The Annual Report covers three main areas:
- Audit of the financial statements
 - Commentary on value for money arrangements
 - Other reporting responsibilities and fees
8. The summary outcome for each of these areas is:
- a) Opinion on the financial statements – the auditor issued the audit report on 3 December 2021. The opinion on the financial statements was unqualified.
 - b) Value for Money arrangements – this includes commentary on the Authority’s arrangements to secure economy, efficiency and effectiveness in its use of resources. No significant weaknesses were identified and there are no recommendations arising from the work.
 - c) Wider reporting responsibilities – the auditor has not yet received group instructions from the National Audit Office and is therefore not yet able to issue the audit certificate. This essentially relates to the Whole of Government Accounts consolidation. The auditor did not receive any public questions or objections in respect of the financial statements.
9. The Committee is invited to consider the Annual Report and make any observations to the Treasurer and/or the CFA. The Annual Report is due to be presented to the CFA at its meeting on 15 June and any comments made by this Committee will be conveyed.

Report Implications/Impact

10. Legal (including crime and disorder)
The Authority is required to consider the document referred to in this report.
11. Financial (including value for money, benefits and efficiencies)
This report is concerned exclusively with financial issues.
12. Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)
There are no specific risks arising from this report.
13. Staff, Service Users and Stakeholders (including the Equality Impact Assessment)
External stakeholders are encouraged to read the Auditor’s Annual Report.
14. Environmental

Hard copies of the Annual Report are only produced on request. An electronic copy is available on the CFA's website.

15. Impact upon "Our Plan" Objectives

One of the CFA's corporate aims is achieving excellence in managing our Service. This is underpinned by the objective of efficiency and provision of a Value for Money service. The outcomes of the audit as set out in the Annual Audit Report supports both the aim and objective.

Background Papers

Report to CFA 2 December 2021 - Statement of Accounts and Annual Governance Statement 2020/21

<https://leics-fire.gov.uk/wp-content/uploads/2021/11/item-8-supplementary-report-statement-of-accounts-and-annual-governance-statement.pdf>

Appendix

Appendix A - External Auditor's Annual Report 2020/21

Officers to Contact

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