

Audit and Standards Committee – 23rd January 2023

Report of the Director of Finance and Legal

External Audit Findings Report 2020/21 - Updated

Purpose of Report

1. To consider the external auditor's Audit Findings Report and formal Management Representation Letter to the Auditor.

Recommendation

2. It is recommended that:-
 - the Committee considers the Updated Audit Findings Report 2020/21 (Appendix 1).
 - the Committee considers the Letter of Representation (Appendix 2).
 - the Committee authorises the Chair to sign and date the final version of the Letter of Representation in due course.

Background

3. The Council has delegated the responsibility for the approval of the Statement of Accounts, and all audit matters, to the Audit and Standards Committee.

4. The Audit Findings report, presents the observations arising from the audit of the 2020/21 accounts which the auditor deems significant to those charged with the governance to oversee the financial reporting process. The 2020/21 AFR was originally presented to committee on 20th September 2021, since then a number have changes have been made, in particular to property valuations. However, there have not been any changes to the Council's usable reserves. Appendix 1 will be presented by the external auditor.
5. Towards the end of each audit of the annual accounts, the Director of Finance and Legal provides a management representation letter (sometimes known as a letter of comfort), confirming the completeness and reliability of the information and records supplied to the auditors. The external auditors request that this letter should also be signed by the Chair of Audit and Standards Committee, to evidence members' acknowledgment of responsibility for financial management. A draft of this letter is attached as Appendix 2. This letter was originally presented to the Audit Standards Committee on September 20th 2021 and remains unchanged.

Finance

6. This report is financial in nature but does not give rise to any direct costs.

Law

7. Legislation appertaining to Local Authority Audit and Accounts is contained in the Local Government Act 1972 and the Local Audit and Accountability Act 2014.

Risk Management

8. The proposals contained within this report do not raise any "material" risks.

Equality Impact

9. The proposals take into account the Council's Policy on Equality and Diversity.

Human Resources/Organisational Development

10. There are no Human Resources or Organisational Development implications resulting from the items in this report.

Commercial/Procurement

11. There are no implications associated with this report.

Environment/Climate Change

12. There are no environmental/climate change issues associated with this report.

Council Priorities and Projects

13. The work undertaken by Audit and Standards Committee helps to ensure Council priorities are achieved by ensuring the Council has an effective framework of governance, risk management and internal control.



Iain Newman

Director of Finance and Legal

Report Author: Rachel Cooper

Telephone: 01384 814844

Email: rachel.cooper@dudley.gov.uk

List of Appendices

Appendix 1 – Audit Findings for Dudley MBC (updated)

Appendix 2 – Draft Letter