

## **1. INTRODUCTION**

- 1.1. This report provides an updated on the timeline for the expected completion of the audit of the Council's 2020/21 Statement of Accounts.

## **2. BACKGROUND**

- 2.1. In our Audit Planning Report presented to the Audit, Governance and Standards Committee in March 2021, we highlighted that the deadlines for preparing and publishing local authority accounts were subject to consultation as part of the Government's response to the Redmond Review.
- 2.2. The consultation on amendments to The Accounts and Audit Regulations 2015 proposed extending the deadline (also referred to as the "audit deadline", although there is no, and cannot be a, statutory deadline imposed for auditors issuing an opinion) for publishing local authority accounts from 31 July to 30 September for two years from 2020/21. These regulations came into force on 31 March 2021.
- 2.3. The Council provided us with the unaudited Statement of Accounts and supporting working papers at the end of June 2021.
- 2.4. In our Audit Planning Report, we highlighted that the 30 September deadline would be challenging to achieve for the following reasons:
- Delays and reduced scope of interim work to reduce audit work in the final phase
  - The additional time working remotely takes
  - A later final audit start date
  - Notable additional work pressures linked to the introduction of the new NAO Code of Audit Practice
- 2.5. In addition, and critically, NHS deadlines were extended again for 2020/21 after we had issued our Audit Planning Report, and further extended for NHS Providers. New scope Use of Resources work has also needed to be undertaken post issue of accounts audit opinions, with these pieces of work extending until mid to late September 2020 (i.e. in some cases still ongoing). As a consequence, audit teams have been engaged in finalising that work for notably longer than we had originally envisaged.
- 2.6. This combination of factors makes completion of the audit by the end of September 2021 impossible.
- 2.7. For wider context, it should be noted that none of the firms delivering local government audit are planning for portfolio achievement of MHCLG's end of September 2021 deadline and, in fact, monitoring of "delayed" audits is focusing on the end of November, matching the extended statutory deadline set for 2020.

## **3. REVISED TIMELINE**

- 3.1. We intend to substantially complete our fieldwork by the end of October 2021, and our preferred timing for presenting our Audit Completion Reports on the Council and Pension Fund is to the meeting of the Audit, Governance and Standards Committee scheduled for 15 November 2021 and issue our audit opinion during that week.
- 3.2. The deadline set for completion of our work on Use of Resources and issuing our (new) Auditor's Annual Report is within 3 months of the issue of the opinion on the financial statements. Based on experience of undertaking this work in the NHS, this additional time after issue of the opinion will be necessary, but also an achievable timescale.



#### **4. AUDIT STATUS**

- 4.1. Our formal planning procedures are substantially complete, including our detailed risk assessment. We have not identified any risks in addition to those reported in our Audit Planning Report.
- 4.2. Our detailed testing is underway and the audit team continue to work closely with the Council to progress procedures and clear queries arising from our audit work.
- 4.3. The Senior Audit Manager, Assistant Audit Manager and Chief Accountant continue to meet on a weekly basis to discuss progress and outstanding issues (as they have done since July).
- 4.4. In terms of achievement of the timetable, general audit progress to date supports our being able to achieve the timeline proposed. However, issues continue to develop and we will provide a further, verbal update to the Committee alongside this paper.

**David Eagles, Partner**  
For and on behalf of **BDO LLP**

15 September 2021