

Report title: Assurance Summary	
Report to: Audit Governance and Standards Committee	
Report author: Paula Clowes, Head of Assurance	
Date: 27 September 2021	For: Note
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County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 This report signposts, the Audit Governance and Standards committee to the sources of assurance that can be relied upon, pending completion by BDO LLP of their external audit of the Council and Essex Pension Fund Accounts for 2020/21 and of the Council's arrangements to secure value for money in the use of its resources. These sources are not intended to be and cannot be a replacement for the external audit of our accounts but in view of the resourcing difficulties being experienced by BDO LLP it feels that we should direct the committee to the assurance which is available.

2. Recommendation

That the Audit Governance and Standards Committee note the sources of assurance listed in section 4 of this report.

3. Background

- 3.1 The Council is required by regulations to:

- Produce draft accounts, and present them for external audit, by a specified date each year;
- Make the draft Statement of Accounts available for a period of 30 working days, during which time the public have the right to raise objections, inspect the accounts and question the Local Auditor; and
- Publish its final, audited accounts by a specified date each year.

For the 2020/21 financial year, the statutory deadline for publication of the final accounts is **30 September 2021**.

- 3.2 The Council has been notified by BDO LLP that the audit of the Council's Statement of Accounts for 2020/21 (comprising the work necessary to provide audit opinions on the financial statements of the Council and Essex Pension Fund and provide commentary on the effectiveness of the systems in place to secure value for money

in the Council's use of resources) will be delayed and the deadline of 30 September cannot be met. There is a separate report on the agenda which explains the reasons for this delay and the anticipated timeline completion of this year's audit.

- 3.3 Whilst there is no substitute for an external audit, the Committee can draw some assurance from the financial controls in place to ensure that the Council and Essex Pension Fund Accounts provide a true and fair representation of the financial performance and position of the Council and Essex Pension Fund for the 2020/21 financial year.

4. Summary of Assurance Provision

- 4.1 The following are sources of Assurance that have been provided to AGS Committee or Cabinet at previous meetings:

- The Section 151 Officer's confirmation that, in her view, the Accounts provide a true and fair view of the Council's financial position and performance. These were presented to committee on 28 June 2021 and certified by Nicole Wood the Council's S151 Officer on 30 June 2021. The full statement of accounts can be found [here](#)
- The Section 151 Officer's Assurance Statement on the robustness of the budgets and adequacy of reserves (part of setting the 2021/22 budget) to Cabinet in January 2021 states "I have examined the budget proposals and, whilst the spending and service delivery proposals are challenging, they are achievable given the political and management track record and current plans to implement the changes. The Council has a good track record on financial management and delivering savings". The full report from the S151 officer can be found [here](#)
- The Chief Audit Executive's annual opinion for 2020/21 was **Satisfactory Assurance**, meaning that although there are some weaknesses which may put the individual system, process or service objectives at risk of achievement, there is an overall satisfactory system of internal control, appropriately designed to meet the Council's objectives; and controls are generally being applied consistently. To form the opinion the CAE relies on a full range of Internal Audit work including the full suite of Key Fundamental Financial Systems and Essex Pension Fund. The full report can be found [here](#)
- The Council's draft Annual Governance Statement states 'the effectiveness of key elements of the governance framework are assessed throughout the year by the Corporate Governance Steering Board, the Audit, Governance and Standards Committee, Internal Audit and other Officers and Members as required. The review of effectiveness is informed by the work of senior Officers who have responsibility for the development and maintenance of the governance environment, the Head of Assurance's annual report, Service Assurance Statements (completed by all Executive Directors) and from comments received from external auditors and other review agencies and inspectorates. The review demonstrates that the arrangements provide **Satisfactory Assurance** and continue to be regarded as fit for purpose in

accordance with the governance framework. The full statement can be found [here](#).

5. Financial Implications

- 5.1 There are no specific financial implications associated with this report.

6. Legal Implications

- 6.1 The Council is required to produce annual accounts in accordance with the Accounts and Audit Regulations 2015 as currently amended by the Accounts and Audit (Amendment) Regulations 2021. The Council is also required to produce an annual governance statement.

7. Appendices

None

8. Background Papers

- Draft Statement of Accounts 2020/21
- Organisation Plan and Budget 2021/22 – Part 1: Section 151 Officer Report
- Chief Audit Executive's Annual Opinion – 2020/21
- Draft Annual Governance Statement