

AUDIT AND GOVERNANCE COMMITTEE

29th April 2022

AUDITOR'S ANNUAL REPORT 2020/2021

Report of the Executive Director of Corporate Services

1.0 Purpose of Report

- 1.1 This report details the external auditor's (Mazars) Auditor's Annual Report (AAR) covering the year to 31st March 2021. A copy is attached. The AAR will subsequently be referred to Council for information.

2.0 Description of Decision

- 2.1 Members are recommended to:
- Consider the Auditor's Annual Report and note its contents.

3.0 Introduction

- 3.1 The Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office require auditors to prepare an AAR and issue it to each audited body. The purpose of the AAR is to communicate any key issues arising from the auditor's work to the audited body and its external stakeholders, including members of the public.
- 3.2 The AAR summarises the findings of the 2020/2021 audit, which comprises of two key elements:
- The audit opinion on the Council's financial statements; and
 - An assessment of the Council's arrangements to achieve Value for Money.

4.0 Summary Position

- 4.1 The AAR is positive overall, providing a strong endorsement of the financial management and governance arrangements in place across the Council.
- 4.2 The key findings arising from the audit work were:
- The financial statements give a true and fair view of the Council and the Group's financial position as at 31 March 2021 and an unqualified audit opinion was issued;
 - The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting;
 - There were no significant deficiencies in internal control;
 - That the auditors did not use powers under the 2014 Act to issue a report in the public interest or to make written recommendations to the Council;

- The audit assessment on the Council's arrangements to ensure Value for Money concluded with no significant areas of weakness identified; and
- The Council's Whole of Government Accounts (WGA) Assurance Statement has been unable to be completed or audited as guidance is still awaited from central government. Until the WGA work is concluded, the 2020/2021 Audit Certificate is unable to be issued.

5. Alternative Options

- 5.1 Not applicable as the report is for information only.

6. List of Appendices

- 6.1 Appendix A - Sunderland City Council Auditor's Annual Report.