



**Audit and Governance Committee
3 November 2021**

ITEM 11

Report sponsor: Simon Riley, Strategic Director
of Corporate Resources
Report author: Peter Shillcock, Group
Accountant

Audited Financial Statements for the year ended 31 March 2021

Purpose

- 1.1 To provide the Audit and Governance Committee with the audited Financial Statements of the Council in respect of the year ended 31 March 2021.
- 1.2 The Financial Statements should be read in conjunction with the findings of Ernst Young (External Auditor) as stated in their ISA 260 letter also included on this agenda.

Recommendations

- 2.1 To approve the audited Financial Statements for the year ended 31 March 2021 – subject to outcome of Derbyshire County Council pension audit and completion of Ernst and Young's (EY) quality review.
- 2.2 To delegate authority for the final approval of the Financial Statements to the Strategic Director of Corporate Resources and Chair of the Audit and Governance Committee, subject to satisfactory pension audit and any amendments arising from EY's quality review.
- 2.3 To note that the S151 officer will sign the letter of representation once the audit is complete, and the accounts are signed-off.

Reason

- 3.1 The Audit and Governance Committee is the delegated Committee to approve the audited financial statements on behalf of Council.

Supporting information

- 4.1 At the meeting of the Audit and Governance Committee on 29 September 2020, members were presented with a verbal update on the progress of the 2020/21 audit of the council's financial statements. At this meeting members were informed that work was still on-going with the audit and a number of issues were still to be resolved with our auditors.

- 4.2 It was recommended that all outstanding issues should be resolved, and a report brought back to the next committee requesting approval of the final set of financial statements.
- 4.3 With the exception of the pensions issue, all other outstanding issues are currently going through EY's internal review processes. However, EY still anticipate issuing an unqualified opinion on the financial statements. The audit of the Derbyshire Pension Fund remains incomplete with funds auditors indicating that they will not be able to complete their work until at least the end of November. In addition, the Government have announced that the Whole of Government Accounts suite of reports will not be issued until at least December which will impact EY's sign off procedures. As a result, EY cannot complete their work on the City's Council's pension fund notes within the financial statements. The audit opinion will therefore be subject to this work being completed.
- 4.4 Due to the minimal outstanding issues outlined above, for expediency it is recommended that final sign-off of the accounts is delegated to Chair of the Audit and Governance Committee in consultation with the S151 officer. If any significant issues do arise then these will of course be reported back to the committee.

Public/stakeholder engagement

- 5.1 None directly arising

Other options

- 6.1 None as the Council has a statutory responsibility to publish its audited accounts each year and responsibility for this is delegated to the Audit and Governance Committee.

Financial and value for money issues

- 7.1 As detailed in the report

Legal implications

- 8.1 None directly arising

Climate implications

- 9.1 None directly arising

Other significant implications

- 10.1 None directly arising

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	26/10/2021
Finance	Toni Nash, Head of Corporate Finance	26/10/2021
Service Director(s)		
Report sponsor	Simon Riley, Strategic Director of Corporate Resources	26/10/2021
Other(s)		

Background papers:

**List of appendices: Appendix 1 –
2020/21 Financial Statements**