

**Blaby District Council**  
**Audit & Corporate Governance Committee**

**Date of Meeting** 25 November 2024  
**Title of Report** **Completion Report Financial Years 2020/21, 2021/22 and 2022/23**  
**Report Author** Finance Group Manager

**1. What is this report about?**

- 1.1 The report details the closedown of 2020/21, 2021/22 and 2022/23 Financial Accounts undertaken by Ernst & Young, including the value for money findings.
- 1.2 The report seeks formal approval of the audited accounts for 2020/21, 2021/22 and 2022/23 and seeks delegated authority for the Section 151 Officer to finalise the financial statements in consultation with the Chair of the Audit and Corporate Governance Committee.

**2. Recommendation(s)**

- 2.1 That the external auditor's report is accepted.
- 2.2 That Committee grants delegated authority to the Executive Director (Section 151) in consultation with the Chair of the Audit and Corporate Governance Committee to approve and sign off the Council's audited Financial Statements for 2020/21, 2021/22 and 2022/23 once all outstanding matters have been finalised.

**3. Reason for Decision(s) Recommended**

- 3.1 To bring to Members' attention the findings of our external auditors, Ernst & Young (EY) in relation to the audit of the 2020/21 accounts.
- 3.2 The Accounts and Audit Regulations require local authorities to have their 2020/21, 2021/22 and 2022/23 accounts approved by a resolution of "a committee or by the members meeting as a whole", and no later than 13<sup>th</sup> December 2024.

## **4. Matters to consider**

### **4.1 Background**

Since the onset of Covid-19, local authorities in general have experienced significant delays with the timely completion of the audit of accounts, even though publication dates were relaxed between 2020/21 and 2022/23. These delays have mainly centred around the difficulties that external audit firms have experienced in recruiting suitably qualified public sector auditors, and consequently being unable to adequately resource their audits.

In Blaby's case, the Accounts for 2020/21, 2021/22 and 2022/23 have not yet been fully audited and approved.

To overcome the audit backlog, secondary legislation has now been laid to provide a backstop date of 13 December 2024 for financial years up to and including 2022/23 to be approved.

The unaudited accounts for all outstanding years have been presented to the Audit and Governance Committee previously for review and consideration. The accounts for each year were published on the Council's website for Public Inspection for a single 30 working-day period, however for years 2020/21 and 2021/22 it was noticed that a Bank Holiday was included in the period. As such the Public Inspection Periods for 2020/21 and 2021/22 have been repeated and will close on the 12<sup>th</sup> December prior to the backstop date.

EY are required to comply with the Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies. The Code requires them to produce a "Report to Those Charged with Governance", i.e., this Committee, and the draft of that report is attached at Appendix A.

Given the closure of the Public Inspection period closing on the 12<sup>th</sup> December, EY have stated in their report that:

"In accordance with the requirements of the Financial Reporting Councils Escalated Reporting Framework, and given that the inspection period for the 2020/21 and 2021/22 Statement of Accounts runs to 4pm on 12 December 2024, there is a risk that the Council will not meet the backstop date of 13 December 2024. We have alerted the FRC to this matter."

### **4.3 Relevant Consultations**

Officers have consulted with EY regarding the draft report.

**5. What will it cost and are there opportunities for savings?**

- 5.1 Scale fees are detailed in the closure report. The final fees are to be confirmed, and EY will be liaising with Public Sector Audit Appointments Ltd (PSAA Ltd) to discuss and agree.

**6. What are the risks and how can they be reduced?**

- 6.1 The detailed risks are covered within EY's report (Appendix A), including the potential for management override of controls, and the recognition of revenue and expenditure in the accounts. No areas of weakness or material misstatements have been identified by the auditors.

**7. Other options considered**

- 7.1 None

**8. Appendix**

- 8.1 Appendix A - Ernst & Young Completion Report Years Ended 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2023

Appendix B – The audited accounts for 2020/21 and Annual Governance Statement

Appendix C – The audited accounts for 2021/22 and Annual Governance Statement

Appendix D – The audited accounts for 2022/23 and Annual Governance Statement

**10. Background paper(s)**

- 10.1 None

**11. Report author's contact details**

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