

11 November 2021**Agenda Item: 5**

REPORT OF THE CHAIRMAN OF GOVERNANCE AND ETHICS COMMITTEE

AUDIT FINDINGS REPORT 2020/21

Purpose of the Report

1. To inform the Governance and Ethics Committee of the contents of the External Auditor's Audit Findings Report 2020/21.

Statement of Accounts 2020/21

2. The deadline for publishing the draft Statement of Accounts 2020/21 was 31 July 2021. Nottinghamshire County Council's and the Nottinghamshire Pension Fund Statement of Accounts 2020/21 were published onto the Council website on 9 July 2021, well ahead of the deadline. The draft Statement of Accounts 2020/21 and the draft Audit Findings Report 2020/21 were presented to the Governance and Ethics Committee meeting on 30 September.
3. The statutory audit of the Statement of Accounts 2020/21 is being undertaken by Grant Thornton. On completion of this work, the Section 151 Officer, in consultation with the Chairman of the Governance and Ethics Committee, will approve the Statement of Accounts 2020/21 for both Nottinghamshire County Council and Nottinghamshire Pension Fund.

Audit Results

4. The External Auditor's Audit Findings Report 2020/21 is attached to this report. The audit was completed satisfactorily, and subject to outstanding valuation queries being resolved to their satisfaction, it is anticipated that the audit report to be issued will include an unqualified opinion on the financial statements. The auditor's draft opinion of the Nottinghamshire County Council accounts can be seen on page 42 and the draft opinion on the Nottinghamshire Pension Fund accounts can be seen on page 47 of the report. The final opinions will be published on the Council's website.
5. It is important to note that no material adjustments were identified within the financial statements.
6. The audit did not identify any significant weaknesses in internal control and there were no significant difficulties or matters identified during the audit.
7. On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which has come into effect from financial year 2020/21. As a result, there has been a revised

approach to the audit of Value for Money (VfM). It is expected that the Auditor's Annual Report 2020/21, which will set out their VfM conclusion, will be issued no more than three months after the date of the opinion on the financial statements.

8. The statement of accounts is one of the key documents prepared by the Council to demonstrate good governance and value for money. This provides information about the County Council's financial position, performance and cash flows and consequently, shows the results of the stewardship and accountability of elected members and management for the resources entrusted to them, which is of paramount importance in the use of public funds.
9. The results of this year's audit are a continued positive reflection of the Council's performance, particularly in the context of the continuing changes and complexities arising from International Financial Reporting Standards and the challenge of finalising the accounts to tight deadlines under difficult and challenging working conditions.

Statutory and Policy Implications

10. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

11. That Members comment upon the contents of the External Audit Report 2020/21.

Councillor Philip Owen
Chairman of Governance and Ethics Committee

For any enquiries about this report please contact:

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Constitutional Comments (KK 21/10/2021)

12. The recommendations fall within the delegation to Governance and Ethics Committee under its terms of reference.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

Electoral Division(s) and Member(s) Affected

All