

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF AUDIT AND GOVERNANCE COMMITTEE ON 28 JULY 2022

**SUBJECT: Annual Audit Letter for the Year Ended 31 March 2021**

**REPORT AUTHOR:** Carolin Martlew, Interim Group Head of Corporate Support and Section 151 Officer  
**DATE:** June 2022  
**EXTN:** 01903 737558  
**AREA:** Corporate Support

### **EXECUTIVE SUMMARY:**

The Annual Audit Letter for the year ended 31 March 2021 is attached to this report. The Annual Audit letter is produced by the Council's external Auditors Ernst & Young LLP (EY) and forms part of the regulatory framework. The Annual Audit letter brings the 2020/21 audit to a conclusion.

### **RECOMMENDATIONS:**

The Committee is recommended to receive the Annual Audit Letter 2020/21 from the Council's external auditors EY and raise any issues they wish to with EY.

### **1. BACKGROUND:**

The Council's external auditors EY reported the detailed findings from the 2020/21 audit in the Audit Results Report, which was considered by the Audit and Governance Committee, before approving the Statement of Accounts for the year ended 31 March 2021, on 22 February 2022. The Annual Audit letter brings the 2020/21 audit to a conclusion.

### **2. PROPOSAL(S):**

The purpose of the Annual Audit Letter is for the Council's external auditors to communicate the key issues arising from the external audit work, which they consider should be brought to the attention of all the members of the Council and external stakeholders, including the public. Members are given the opportunity to raise any issues with the external auditors EY who will be presenting the Audit Letter.

The Annual Audit Letter also raises the issue of audit fees in appendix A. The planned fee for 2020/21 was £69,195. The final fee of £84,433 is an increase of £15,238. The fees are still subject to negotiation, with the Public Sector Audit Appointments Ltd (PSAA PSAA), who are the organisation who have to approve the fees charged as part of the contract.

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| <b>3. OPTIONS:</b>  |            |           |
| Not applicable.   |            |           |
| <b>4. CONSULTATION:</b>   |            |           |
| Has consultation been undertaken with:  | <b>YES</b> | <b>NO</b> |
| Relevant Town/Parish Council  |            | ✓         |
| Relevant District Ward Councillors  |            | ✓         |
| Other groups/persons (please specify)   |            | ✓         |
| <b>5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES:<br/>(Explain in more detail at 6 below)</b> | <b>YES</b> | <b>NO</b> |
| Financial   | ✓          |           |
| Legal   | ✓          |           |
| Human Rights/Equality Impact Assessment   |            | ✓         |
| Community Safety including Section 17 of Crime & Disorder Act   |            | ✓         |
| Sustainability  |            | ✓         |
| Asset Management/Property/Land  |            | ✓         |
| Technology  |            | ✓         |
| Other (please explain)  |            | ✓         |
| <b>6. IMPLICATIONS:</b>   |            |           |

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| <b>7. REASON FOR THE DECISION:</b>  |
| To ensure that members of the Committee are fully informed about of the key issues raised by the audit for 2020/21. |

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| <b>8. BACKGROUND PAPERS:</b> |
| None.                        |