



AGENDA ITEM 14

External Auditor's Annual Audit Letter 2019/20

AUDIT COMMITTEE MEETING DATE
2021/22

5th January 2022

CLASSIFICATION:

Open

WARD(S) AFFECTED

All Wards

Ian Williams, Group Director Finance and Corporate Resources

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1. This report introduces the 2019/20 Annual Audit Letter from Mazars, the Council's external auditors.
- 1.2. The report follows Mazars issuing an opinion on the Council's financial statements for 2019/20 on 21st October 2021 and the conclusion of work in relation to Whole of Government Accounts and the additional work undertaken by Mazars in relation to the cyber attack in order for a conclusion to be reached on the Council's value for money arrangements. Further details in relation this latter work are included later on the agenda.
- 1.3 The audit letter is presented significantly later than in the normal cycle, this is due to both the delays in relation to Mazars work on the financial statements and the additional work required to conclude the 2019/20 audit due to the cyber attack.

2. RECOMMENDATION(S)

2.1 The Audit Committee is recommended to:

Consider and note the contents of the attached report from Mazars, the Council's external auditor.

3. REASONS FOR DECISION

- 3.1 The Audit Committee is "those charged with governance" in respect of the Council's annual statement of accounts and other financial matters. As such, they receive regular reports from Mazars, the Council's external auditors, in relation to the accounts and the external audit.

4. BACKGROUND

4.1 Policy Context

The attached report forms part of the reporting arrangements in relation to external audit as required by the relevant legislation and related Accounts and Audit Regulations.

4.2 Equality Impact Assessment

This report does not require an equality impact assessment.

4.3. Sustainability

Not Applicable .

4.4 Consultations

Mazars consulted with relevant senior officers of the Council in the preparation of this report and the report contains management responses as appropriate.

4.5 Risk Assessment

As set out in the appendix, the external auditors have considered the key risks and this has informed the audit approach as set out in the detailed reports from Mazars .

4.6 Audit Letter 2019/20

4.6.1 The Mazars report attached at Appendix one provides a summary of the outcomes of their external audit for 2019/20:

- Reflecting the true and fair opinion given on the Council's financial statements for 2019/20 on 21st October 2021
- Following work performed by Mazars IT audit team, in response to the cyber attack at the Council, Mazars have concluded that they are satisfied that in all significant respects, the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

4.6.2 Furthermore, Mazars confirm they have concluded their reporting in relation to Whole of Government Accounts (WGA) in respect of LB Hackney and that the auditors did not use their powers under s24 of the 2014 Act to issue a report in the public interest or to make written recommendations to the Council.

5. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

5.1 The Mazars reports attached report on prior year arrangements and there are no financial implications.

6. COMMENTS OF THE DIRECTOR, LEGAL

6.1 The Council is required to have its annual statement of accounts audited in line with current legislation and related regulations.

6.2 The external auditor's statutory responsibilities are set out in the Local Audit and Accountability Act 2014 and the national Audit Office's Code of Audit Practice. They are required to audit/review and report on the financial statements, providing an opinion and the use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness (the VFM conclusion).

APPENDICES

Appendix 1 - Annual Audit Letter – LB Hackney

BACKGROUND PAPERS

None

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