

**1 JUNE 2023**

**KEY DECISION? YES/NO**

## **AUDIT RESULTS REPORT 2019/20**

### **SUMMARY AND RECOMMENDATIONS:**

#### **SUMMARY:**

When completing an audit of a set of accounts the External Auditor is required to issue an Audit Result Report, which provides the context in which their audit opinion has been given along highlighting areas that the Council should address.

#### **RECOMMENDATION:**

Members are requested to note:

- (i) The Audit Opinion that the Councils Accounts give:
  - give a true and fair view of the financial position of Rushmoor Borough Council as at 31 March 2020 and of its expenditure and income for the year then ended; and
  - have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
- (ii) The findings made by EY during their audit of the 2019/20 Accounts.
- (iii) Note the other issues highlighted and the actions taken by officers to address these issues, in particular:
  - Provision of property information.
  - Capacity of the finance department.
  - Declarations of interest.

## **1 REPORT**

1.1 The details of the audit are contained within the attached report to the Committee.

1.2 There are three areas specifically highlighted in Section 7 of the report which led to actions by officers and/or Members to address.

### **1.2.1 Provision of property information:**

1.2.2 EY reported on the critical delays in the provision of property information to support the material PPE and IP valuations in the Council's Balance

Sheet. This included a lack of management challenge of key assumptions and we would highly recommend that management ensure that this challenge is factored into 2020/21 and future years.

1.2.3 Rushmoor Borough Council have addressed this issue by implementing a Property Management System that records all documentation on each property. Further the Fixed Asset Module of the Financial System, which will record the accounting valuations of properties is due to be implemented during 2023.

**1.2.4 Capacity of the finance department:**

1.2.5 EY reported that their audit team has been working on the fieldwork for the audit of the Council's 2019/20 financial statements since 28 September 2020. Whilst there were some delays due to officer work pressures e.g. the audit was also delayed in January 2021 and 2022 as officers needed to prioritise the production of the 2021/22 accounts, some of the information promised to us has failed on a number of occasions to meet agreed timelines.

1.2.6 The Finance Team has been reorganised and a detailed plan for future accounts preparation and subsequent audits has been implemented. However, that said, it should be noted that the current backlog in audits has the potential of causing pinch points as the team will be involved into ensuring that each of the three years to be audited (2020/21, 2021/22 and 2022/23) are kept up to date in light of issues emerging during the audit of firstly 2020/21. The team will work closely with EY to ensure that they will prioritise answering audit queries but resource will be required to ensure current work is kept up to date.

**1.2.7 Declarations of interest:**

1.2.8 EY noted that the Declaration of Interest Form was not returned by one of the members and could not conclude on that.

1.2.9 Members must be mindful that there have a duty and responsibility to make a declaration of any interests they have, including a declaration that they have none if that is the case.

**CONTACT DETAILS:**

Report Author and Head of Service:  
Simon Little – Interim Executive Head of Finance  
01252 398440  
simon.little@rushmoor.gov.uk