



Audit and Standards Committee Report

Report of:	Eugene Walker Executive Director of Resources, Local Authority Section 151 Officer
Date:	22 April 2021
Subject:	2019/20 Statement of Accounts - 2019/20 Sheffield City Council Audit Results Report
Author of Report:	David Phillips Head of Strategic Finance
Summary:	The purpose of the report is to communicate any relevant matters arising from the external audit of the 2019/20 Statement of Accounts to Members.
Recommendations:	<p>The Audit and Standards Committee notes the 2019/20 Sheffield City Council Audit Results Report.</p> <p>The Audit and Standards Committee approves the Statement of Accounts for 2019/20 and to request that approval is given for the Chair of the Audit and Standards Committee to conclude the audit by signing the Letter of Management Representations and the Statement of Accounts for 2019/20 following the meeting.</p>
Background Papers:	None
Category of Report:	OPEN

Statutory and Council Policy Checklist

Financial Implications
NO
Legal Implications
NO
Equality of Opportunity Implications
NO
Tackling Health Inequalities Implications
NO
Human rights Implications
NO
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
None
Relevant Cabinet Portfolio Leader
Terry Fox
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

AUDIT AND STANDARDS COMMITTEE – 22 APRIL 2021

2019/20 STATEMENT OF ACCOUNTS

EXTERNAL AUDITOR'S 2019/20 AUDIT RESULTS REPORT

Purpose of this Report

1. The purpose of the following report is to communicate any relevant matters arising from the external audit of the 2019/20 Statement of Accounts to Members and in acknowledging these findings request that approval is given to allow the auditors to conclude the audit by signing the Letter of Management Representations and the Statement of Accounts following the meeting.

Introduction and Background

2. The Council's 2019/20 Unaudited Statement of Accounts were authorised by the Executive Director of Resources (Section 151 Officer) on the 30 June 2020 and the provisional 2019/20 Audited Statement of Accounts were presented to the Audit and Standards Committee on 26 November 2020.
3. The accounts have been subject to external audit by Ernst & Young LLP. Audit deadlines were extended and have been delayed due to Covid-19 and remote working. During the external audit process Audit and Standards Committee have been kept up to date and the external auditor's findings have been received and shared with the Committee throughout the audit. The audit is almost complete and the Audit and Standards Committee are asked to note the findings from the separate Audit Results Report.
4. The final 2019/20 Audited Statement of Accounts will be shared in advance of the Committee meeting to accompany this report. The Statement of Accounts need to be approved by the Audit and Standards Committee at this meeting and will then need to be signed by the Chair of the Audit and Standards Committee following this meeting.
5. External auditors are required to undertake their work in accordance with International Auditing Standards. Specifically, they are required to communicate any relevant matters relating to the audit to those charged with governance.

Findings from the External Audit of the 2019/20 Statement of Accounts

6. The findings from the external audit are set out in detail in Ernst & Young's 2019/20 Audit Results Report, which is a separate report, and Members are asked to note the contents.

7. As a result of on-going work on the draft accounts produced in June 2020 and the provisional accounts presented in November 2020, some misstatements and presentational errors have been identified by officers and others have been identified as a result of the external audit.
8. The 2019/20 Audit Results Report identifies the adjustments made to the Statement of Accounts and are detailed in section 4 “Audit Differences” of Ernst & Young’s report.
9. The Section 151 officer is responsible for the preparation of the Council’s Statement of Accounts in accordance with proper practices, and he will certify that they give a true and fair view (i.e. that the financial statements present a true and fair view of the financial position of Sheffield City Council as at 31 March 2020 and its income and expenditure for the year). We understand that the auditors intend to issue an unqualified audit opinion on the accounts.
10. To complete their audit and satisfy their auditing standards, the auditors are requesting written management representation from those charged with governance. Appropriate enquiries have been made with responsible officers within the Authority to confirm the representations included. Therefore, a letter of management representations in the format prescribed by the external auditors is to be signed by the Chair of the Audit and Standards Committee following the meeting.
11. The auditors are also required to ask those charged with governance to confirm that there are no material uncertainties that cast significant doubt about the ability of the Council to continue as a going concern. Appropriate enquiries have been made within the Council and for other parties in which the Council has an interest and no material uncertainties have been identified.

Publication of the 2019/20 Statement of Accounts

12. As part of their work to complete the audit, the auditors issue an opinion on the Statement of Accounts and a Certificate of Completion of the Audit. It is intended that an unqualified opinion will be given on the Statement of Accounts and a certificate issued to close the audit.
13. The 2019/20 Statement of Accounts will then be published on the Council’s website. Once the Certificate of Completion is received a statement will be published to inform that the audit has been concluded and the accounts have been published.

Financial Implications

14. There are no financial implications arising from the recommendations set out in this report.

Equal Opportunities Implications

15. There are no equal opportunities implications arising from the recommendations set out in this report.

Property Implications

16. There are no property implications arising from the recommendations set out in this report.

Recommendations

17. It is recommended:

- That the Audit and Standards Committee notes the 2019/2 Audit Results Report.
- That following the above acceptance the Chair of the Audit and Standards Committee provides her signature to the Letter of Management Representations to conclude the audit, following the meeting.
- That the Audit and Standards Committee approves the Statement of Accounts for 2019/20 and the Chair of the Audit and Standards Committee provides her signature to the Statement of Accounts, following this meeting.

David Phillips
Head of Strategic Finance

22 April 2021

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