

Audit and Governance Committee

27 September 2023



Reading
Borough Council
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Title	Closing Financial Accounts Update
Purpose of the report	To note the report for information and to approve delegated authority as outlined in the recommendations.
Report status	Public report
Report author	Mark Sanders, Chief Accountant
Lead Councillor	Councillor Terry, Deputy Leader of the Council & Lead Councillor for Corporate Services and Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	<ol style="list-style-type: none">1. That the Committee notes the accounts progress and findings to date.2. That delegated authority be given to the Director of Finance (as S.151 Officer) and Chair of the Audit and Governance Committee to sign off the 2020/21 Accounts, on the conclusion of the audit.

1. Executive Summary

1.1 This report updates the Committee on the progress of the audit of the Council's Final Accounts for 2020/21, as it nears completion. This report should be considered alongside the External Auditor's progress update and findings to date reported elsewhere on tonight's agenda. As in the previous year, this report seeks approval for the audit of accounts 2020/21 to be signed off under delegated power by Darren Carter, Director of Finance (S.151 Officer) and Councillor Williams, in his capacity as Chair of the Audit and Governance Committee.

2. Progress on 2020/21 Accounts audit

1.2 This report updates the Committee on the progress of the audit of the Council's Final Accounts for 2020/21, as it nears completion. The 2020/21 audit of accounts is substantially complete and the Council's finance team has continued to amend and update the accounts in line with discussions and findings highlighted by the External Auditors. There are now no material issues outstanding.

1.3 The Council is anticipating an unqualified audit opinion for 2020/21 subject to the completion and review of EY's audit work.

1.4 The Council's finance team continues to answer all remaining questions from the 2020/21 audit, which began in August 2022. To date we have submitted responses to 341 audit queries, many of which involved providing multiple samples of evidence. The External Auditors have signed off 158 of these responses and we are currently working on 8 queries which are outstanding.

Table 1 – Audit Queries as at 15/09/23

No of Queries	Status
8	RBC – In Progress
183	EY – To review (response provided by RBC)
158	EY – Accepted
349	Total

- 1.5 We are confident that responses to the remaining audit fieldwork will be completed in a timely manner.

3. Update on the Preparation of the 2021/22 Accounts

- 3.1 We are on track to produce the draft 2021/22 accounts by the end of October in line with the conclusion of the 2020/21 audit work by EY. This draft will incorporate any last changes from the 2020/21 audit. We will then be able to progress immediately into the 2021/22 audit process with the intention of having them signed off early next Spring.
- 3.2 This will then give us a good platform to continue our accounts preparation work and begin the collation of the 2022/23 accounts in line with our objective of returning to a timely position on the preparation of accounts within statutory deadlines.

4. Contribution to Strategic Aims

- 4.1 The external audit process includes the approval of the annual Statement of Accounts results and the publication of accurate, transparent financial information which gives a true and fair view of Reading Borough Council's economic performance and financial stability.

4. ENVIRONMENT AND CLIMATE CHANGE IMPLICATIONS

- 4.1 None arising.

5. COMMUNITY ENGAGEMENT AND INFORMATION

- 5.1 This report will include where appropriate any feedback from public inspection of accounts.

6. EQUALITY IMPACT ASSESSMENT

- 6.1 None arising.

7. LEGAL IMPLICATIONS

- 7.1 Part Five of the Accounts and Audit Regulations 2015 requires authorities to allow the public to inspect the accounts for a single period of 30 working days and stipulates that this must include the first 10 working days of June of the financial year immediately following the financial year to which the accounts relate. The Council was unable to comply with this requirement in respect of the financial years 2017/18 to 2021/22 as the accounts were not ready for inspection.

8. FINANCIAL IMPLICATIONS

- 8.1 The audit fees will be reported in due course.

9. BACKGROUND PAPERS

9.1 Previous Closing Accounts update reports to the Audit & Governance Committee.