

Audit Committee

Wednesday, 6 October 2021

Present: M Wilkinson (Chair)
Councillors Mrs L Arkley OBE, G Bell, L Bell, D Cox,
J Mole, J O'Shea and J Stirling

AC/22/21 Apologies for Absence

An apology for absence was submitted on behalf of the Chair, Mr K Robinson.

AC/23/21 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported.

AC/24/21 Annual Financial Report 2020/21

Consideration was given to a report which provided an update on the progress made to complete the Authority's 2020/21 Audited Annual Financial Report. This report had been deferred at the last meeting of the Committee and had been updated to take account of the need to update the draft accounts to reflect changes to the pension deficit following receipt of the revised report of the Actuary. It was also explained that the changes had necessitated additional testing to be carried out by the external auditor as part of its audit work and therefore the external audit of the draft statement of accounts for the year ended 31 March 2021 had not been concluded due to the need to adjust the financial statements in light of the revised actuary report. It was explained that Regulation 10 of the Accounts and Audit Regulations 2015 allowed for this and the Director of Resources had therefore issued a notification that the Authority had been unable to publish its audited 2020/21 final statement of accounts by the 30 September 2021 deadline. The Committee was advised that it had been anticipated that the external audit would be completed within the first 10 working days of October and it had not been anticipated that there would be any material errors which significantly changed the financial statements.

The external auditor explained that the majority of authorities nationally had not been able to meet the deadline for the publication of the final accounts and that North Tyneside was ahead of the game. The review of the pension liability had almost been completed and the work on the Covid-19 funding stream had progressed. It was explained that all outstanding queries had been progressed and the risk assessment had been completed. The final report would be shared with the Director of Resources although it was not anticipated that there would be any significant changes.

Members sought clarification on the Authority's position in relation to its borrowing requirements and it was explained that the overall position had been better at the end of 2020/21 when compared to the previous year. It was also explained that the Authority continually managed the risks in relation to its borrowing requirements.

Resolved that (1) the progress to date on the audit be noted; and

(2) the Director of Resources be authorised to approve the 2020/21 Annual Financial Report subject to any material changes being reported to the Chair and Deputy Chair of the Audit Committee.

AC/25/21 Annual Governance Statement 2020-21

Consideration was given to a report which set out the Authority's Annual Governance Statement which had been deferred at the last meeting. It was explained that there had been no changes made to the Statement since the last meeting nor had any fresh concerns around governance been identified.

Resolved that (1) the outcome of the review of the Authority's systems of internal control be noted;
(2) the draft Annual Governance Statement be approved to accompany the 2020/21 Statement of Accounts; and
(3) the actions proposed in the Annual Governance Statement relating to any governance issues identified be noted.