

AGENDA ITEM:

**REPORT TO AUDIT &
GOVERNANCE COMMITTEE**

**REPORT OF DIRECTOR OF
FINANCE, DEVELOPMENT &
BUSINESS SERVICES**

14 FEBRURY 2022

AUDITORS ANNUAL REPORT 2020/2021

SUMMARY

To present to Members of the Committee, the Auditors Annual Audit Report for 2020/2021.

REASONS FOR PRODUCING THIS REPORT

The external auditor, Mazars LLP, is required to present its findings following the completion of the annual audit of the Council's and Group accounts to the Council's Cabinet. The Auditors Annual Report (AAR) will be presented to Cabinet on the 17th March 2022.

BACKGROUND

1. A formal stage in the annual audit process is the production of the "Auditors Annual Report". The Auditors Annual Report for 2020/2021 has now been received and is attached as an Appendix to this report.
2. The Auditor's Annual Report summarises the work Mazars has undertaken as the auditor for Stockton on Tees Borough Council ('the Council') for the year ended 31 March 2021. In line with previous practice, a copy of the Auditors Annual Report will be sent to all Members of the Council. Mazars LLP are required to submit the Auditors Annual Report to Public Sector Audit Appointments Limited and it will appear on their website in due course.
3. Mazars LLP has issued an unqualified audit opinion on the Council's and Group financial statements for 2020/2021 and in their opinion they;
 - give a true and fair view of the Council and Group's financial position as at 31 March 2021 and of its financial performance for the year then ended; and
 - have been prepared, in all material respects, in line with the financial reporting framework applicable to the Council.
4. Mazars LLP are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources. The NAO issues guidance to auditors that underpins the work Mazars are required to carry out and sets out the reporting criteria that they are required to consider. The reporting criteria are:
 - Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services;

- Governance - How the Council ensures that it makes informed decisions and properly manages its risks;
 - Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.
5. Mazars LLP state that with regards to their work they “did not identify any evidence to indicate a significant weakness in the Council’s arrangements in relation to the financial sustainability reporting criteria”
 6. Mazars LLP state that with regards to their work they “did not identify any evidence to indicate a significant weakness in the Council’s arrangements in relation to the governance reporting criteria”.
 7. Mazars LLP state that with regards to their work they “did not identify any evidence to indicate a significant weakness in the Council’s arrangements in relation to the improving economy, efficiency and effectiveness reporting criteria”.

Name of Contact Officer: Garry Cummings

Post Title: Director of Finance, Development and Business Services

Telephone No. 01642 527011

Email Address: garry.cummings@stockton.gov.uk