

GATESHEAD METROPOLITAN BOROUGH COUNCIL

ACCOUNTS COMMITTEE MEETING

30 September 2021

PRESENT: Councillor M Gannon (Chair)
Councillors C Donovan and J Wallace

1 MINUTES

The minutes of the last meeting of the Committee held on 2 November 2020 were approved as a correct record and signed by the Chair.

2 AUDIT COMPLETION REPORT YEAR ENDED 31 MARCH 2021 AND GATESHEAD COUNCIL STATEMENT OF ACCOUNTS 2020/21

Consideration has been given to Mazars Audit Completion Report 2020/21, including the Council's arrangements for securing economy, efficiency and effectiveness.

The key messages are:

- Audit Opinion – Mazars anticipate issuing an unqualified opinion, without modification, on the financial statements, including drawing attention to the Valuer's material uncertainty statement on property, plant and equipment (PPE) as a result of COVID-19.
- Identified misstatements – the auditors' work identified a number of misstatements that have been discussed with management. A summary of the identified misstatements has been presented to the Committee.
- Value for Money – Mazars anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources.
- Whole of Government Accounts (WGA) – the timetable for the Council's submission has not yet been published. Audit work will commence once such instructions have been received.
- Wider Powers – the Local Audit and Accountability Act 2014 requires the auditor to give an elector, or any other representative of the elector, the opportunity to question them about the accounting record of the Council and to consider any objection to the accounts. No questions or objections have been received.

The report also includes a Letter of Representation to Mazars to be approved by the Committee prior to being signed by the Strategic Director, Resources

and Digital following the issue of the audit opinion.

To provide a full picture of the economic and financial activities of the Council and its exposure to risk, the accounting statements of material subsidiaries and associate companies were consolidated with those of the Council. In 2020/21 the only material subsidiary was TGHC due to the pension liability.

The Statement of Accounts is materially consistent with the 2020/21 revenue and capital outturn reports considered by Cabinet on 20 July 2021. Along with minor adjustments and presentational changes, the following significant findings and misstatements to the Statement submitted for audit on 30 June 2021 have been identified through the audit process:

The significant findings, internal control recommendations and a summary of misstatements (adjusted and unadjusted) were set out in the executive summary in Mazars Audit Completion Report.

None of the changes to the Statement of Accounts impact on the revenue and capital outturn positions reported to Cabinet, nor do they affect the position of any usable reserves. Management have assessed the identified unadjusted misstatement as not being material, either individually or in aggregate to the financial statements, and does not plan to adjust.

Mazars gave an update at the meeting on issues raised within its Audit Completion Report.

- RESOLVED –
- (i) That the contents of Mazars Audit Completion Report and the updates given at the meeting be noted.
 - (ii) That the issue of the Letter of Representation by the Strategic Director, Resources and Digital on behalf of the Council be approved, subject to confirmation of the final position on misstatements.
 - (iii) That the Council's Statement of Accounts 2020/21 be approved for publication.
 - (iv) That the Strategic Director, Resources and Digital, following consultation with the Leader of the Council, be given delegated powers to authorise the Statement of Accounts 2020/21 for issue, subject to satisfactory outcome of the outstanding issues and receipt of the audit opinion from Mazars.

Chair.....