

Cllr Andrew Weatherill
Chair of Audit and Governance Committee
North Northamptonshire Council
Cedar Drive
Thrapston
SENT BY EMAIL.

29 September 2021

Email: NHarris2@uk.ey.com

Dear Cllr Weatherill

Audit letter – Demised authorities audit of accounts 2020/21

Under the 2020 Code of Audit Practice, for Local Government bodies we are required to issue our Auditor's Annual Report by 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay. The target date for publication of local authority accounts for the financial year ending 31 March 2021 is 30 September 2021, as set out within The Accounts and Audit (Amendment) Regulations 2021.

As you are aware, our audits of the accounts of the now demised Borough Council of Wellingborough, Corby Borough Council, East Northamptonshire Council and Kettering Borough Council, for the financial years ended 31 March 2019 and 31 March 2020 have taken place to a delayed timetable. Consequently, our audits of the accounts for the year ending 31 March 2021 of the demised bodies are also taking place later than would usually be the case.

As a result of the ongoing impact of the coronavirus pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation. The guidance allows auditors to issue our Auditor's Annual Report 3 months after giving our opinion on the financial statements.

Due to both the delayed start to our audits and to safeguard our professional standards and ensure the quality of our audit work, we will not be able to give our opinion on the financial statements for the year ending 31 March 2021 of the demised bodies by 30 September 2021. Given the particular circumstances of these bodies and the reorganisation of local government in Northamptonshire which took place on 1 April 2021, we have consulted with the National Audit Office and have agreed that we can interpret their guidance in a way that means our responsibilities can be discharged by a single Auditor's Annual Report, including commentary by exception, on any significant weaknesses in arrangements to secure value for money for the demised authorities whose functions transferred into North Northamptonshire Council. We would need to issue our opinions on the financial statements of all four demised authorities prior to issuing the combined Auditor's Report. We therefore anticipate that we will be able to issue our single Auditor's Annual Report within 3 months of issuing our opinions on the 2020/2021 financial statements of Corby Borough Council. Due to the fact our audits for the year ending 31 March 2021 of East Northamptonshire Council and Corby Borough Council are operating to a later timetable than those for Borough Council of Wellingborough and Kettering Borough Council, this report would be issued no more than 3 months after we have issued our audit opinions on the financial statements of these authorities.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

In writing this audit letter we also take the opportunity to remind you that you should still publish your accounts by 30 September, without the audit report. Set out below is an example of the wording that we suggest could be used to meet the requirements of the regulations to explain why your accounts would not be audited as at that date.

The external audit of the draft statement of accounts for the year ended 31 March 2021 has not yet been completed by our external auditors, EY LLP for the reasons set out in their audit letter of 29 September 2021. This situation is allowed for by Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015 (see attached link: <http://www.legislation.gov.uk/uksi/2015/234/regulation/10/made>). Therefore, this notification explains, as per paragraph (2a), that we are not yet able to publish our audited 2020/21 final statement of accounts in line with deadline of 30th September 2021, as per paragraph (1). The Audit and Governance Committee will consider the results of the 2020/21 audit at a future meeting, after which we will publish the final audited accounts.

Yours sincerely,



Neil Harris
Associate Partner
For and on behalf of Ernst & Young LLP