

Pays to get your Council's audit done

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As we reported here: Epsom and Ewell Council raises tax 2.99% Epsom and Ewell Borough Council was proud of the fact its auditors passed its last set of accounts without any qualification. Another Borough Council of Surrey is not having such a happy time over audits. Our BBC LDRS reporter reports:

Surrey Heath councillors want Michael Gove to sack the Government appointed investigating the local authority's finances. A motion has been put forward by Councillor Robin Perry, portfolio holder for finance, to let the local authority appoint a different firm of inspectors with the "capacity and capability to complete the outstanding audit of accounts".

It will be discussed at Full Council on Thursday, February 23, as part of Surrey Heath's budget meeting - where council tax is also expected to rise by 2.99 per cent. The motion comes as the council's accounts from 2019/20 to present have yet to be signed off and approved.

According to the tabled motion, the problems stem from "much publicised pressures across the whole local government audit system that are the result of staffing and capacity issues within those audit firms" and as such "many councils like Surrey Heath are experiencing significant delays in the completion of the audits on their accounts". Cllr Perry says this "falsely and unnecessarily undermines confidence in the finances of all those councils, including Surrey Heath."

Auditors were appointed in 2020 through the Public Sector Audits Appointments but the 2019/2020 accounts have still to be completed. Audit work has not even begun on any of the council's later accounts. This, the motion says, has impacted preparation of the 2021/22 accounts and has "incurred significant expenditure retaining temporary staff with the historic knowledge and experience required to respond to queries relevant to the outstanding annual accounts".

However, Councillor Rodney Bates, Labour opposition member for Old Dean, said it was just a "desperate attempt" by the Conservative-run council to blame "others for their own financial failures." He said: "The main reasons why our external auditors have taken longer than expected to complete the 2019/20 accounts is because they were left in a dreadful mess after the council's speculative property investments needed updated valuations. In addition, we have had repeated financial governance issues where the council made very large payments outside their own regulations. The external auditor is also hardly to blame for the fact that many of the Council financial files from that time were surprisingly deleted or for the poor handover records when key finance staff left. It is frankly ridiculous for the Conservative Portfolio Holder for Finance to complain about the auditors when it was his own Government that appointed them in a contract less than three years ago.

"Whilst there are customer service questions for our external auditor to answer, these are best addressed through the non-political audit committee at the council. This receives regular reports on the progress of the audits from both our officers and from our external auditor. The committee has a Conservative, Cllr Ratiram, as the vice chair and it is therefore surprising that Cllr Perry seems to have such a lack of confidence in his own colleague to address this issue."

Should the council vote in favour of the recommended tax increase, bills for average band d home in the borough would rise from £2,155.62 per year to £2226.30, a jump of £70.68.

This figure, the papers say, includes the county council and Surrey Police and Crime Commissioner increases, but not the parish councils.

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