



Hassan Rohimun
Ernst and Young LLP

This matter is being dealt with by
Shane Flynn

Via email

Direct Line: 01905 722536
Email: shane.flynn@worcester.gov.uk

Date: 8th June 2021

Dear Mr Rohimun

Scheduling high-quality 2020/2021 local public audits

On 3 June, we received a letter from Janet Dawson advising of the proposal by EY to schedule some 2020/21 audits for completion after 30 September 2021. We have also been advised by the Corporate Director, Finance and Resources that you have indicated that Worcester will be one of the Councils affected.

This is extremely disappointing news as it means that the Council will not be able to publish audited accounts in line with the timetable set out in the Accounts and Audit (Amendment) Regulations 2021. Are you able to advise whether there are any implications for the Council in failing to meet this deadline? Does EY intend to make it clear to the public and the regulatory bodies mentioned in Ms Dawson's letter, that this is not a result of any failings on the part of the Council to provide a draft set of audited accounts in good time?

Could you please advise as soon as possible when you intend to undertake the audit work and provide an expected completion date so that we can schedule an additional Audit Committee to receive the accounts if necessary?

We are concerned that undertaking the audit work after September will have a significant impact on staff resources at a time when the Finance Team would normally be preparing information for the following year's budget. Will the Audit Committee receive assurances that there will be no knock-on impact on audit fees due to staff not being as fully available to answer audit queries as they normally would have been?

We also understand that you have advised that you will not be undertaking the Housing Benefit Subsidy Claim audit which is scheduled for later this year. While this is an annual appointment process and we could not rely on EY undertaking this work as in previous years, it would have been useful if this intention had been made known earlier so that the Council and partners had sufficient time to undertake a full procurement exercise. Can you advise whether this will be just for 2020/21 or will EY not be available for the audit of the 2021/22 subsidy claim? It is our understanding that the Department for Work and Pensions will require us to notify them of the proposed auditor for both years.

www.worcester.gov.uk

Location: The Guildhall, High Street, Worcester WR1 2EY



We appreciate that all these matters are not entirely within your local control but we would be grateful if you could clarify the above points for us as soon as possible.

Yours sincerely



On behalf of:

Councillor Alan Amos

Chairman of Audit Committee

Councillor Jenny Barnes

Vice Chair of Audit Committee