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SUPPLEMENTARY AGENDA GENERAL PURPOSES COMMITTEE

AGENDA – PART 1

- 5. UPDATE ON THE AUDIT OF THE 2019/20 AND 2020/21 STATEMENT OF ACCOUNTS AND PENSION FUND AND PROGRESS ON THE 2021/22 COUNCIL'S ACCOUNTS (Pages 1 - 6)**

General Purposes Committee is recommended:

1. To note the information provided within this report on the progress of audit of LBE's open sets of accounts since January GPC.
2. To note the current accumulated backlog of three years of open, unaudited statement of accounts.
3. To note the approach to be taken for 2022/23 accounts closure
4. To formally request from BDO an update at the June GPC detailing their audit plan for completing the audits and the staff resourcing strategy to provide targeted progress.

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LONDON BOROUGH OF ENFIELD

Update to General Purposes Committee
Progress with 2019/20 and 2020/21 audits
16 March 2023

Lisa Blake, Partner (2020/21)
David Eagles, Partner (2019/20)
Sebastian Evans, Manager

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INTRODUCTION

Update on 2019/20 and 2020/21 audits

The purpose of this report is to inform the General Purposes Committee on the progress of the 2019/20 and 2020/21 audits.

This update is based on the position up to and including 8 March 2023.



2019/20

Progress made

We have continued to work closely with the Council's Finance Team on resolving residual issues. Progress has been made in the following areas:

- Schools and HRA garages valuations
 - Schools assets: Issues were identified with 2020/21 valuations that had already been identified to a more limited extent with 2019/20 valuations relating to valuation inputs. The position re 2021/22 is also being examined. Cumulatively, this is expected to need prior period adjustment due to the materiality of the expected error. Officers are working on this issue, including engagement with the external valuer. Audit resource has been re-profiled from the 2020/21 audit to deal with matters arising from this adjustment, which requires significant input from management and external audit.
 - HRA garages: As part of the 2022/23 accounts closedown process, issues have been identified by management relating to demolitions and deterioration of assets suggesting a material over-valuation (based on initial estimates). This is expected to need prior period adjustment. Officers are working on this issue.
- Beacon valuations:
 - Valuations have been subject to quality review with final points arising being addressed



2019/20

Progress made (continued)

- Infrastructure:
 - Discussions have been held with officers relating to links between MRP policy and infrastructure. A working paper has been prepared by officers, received 6 March 2023, which is subject to review
- Updated Statement of Accounts:
 - As at 8 March 2023, responses to quality points from re-reviewed Accounts provided on 20 December 2022 were still awaited



2020/21

Progress and current focus of work

Work on the 2020/21 audit is currently on hold as resource has been re-patriated to help finalise the 2019/20 audit, noting the specific issues arising with respect to schools valuations.

We are in the process of establishing a resource plan with management.

There are no new significant findings to communicate to this Committee since our previous update in January 2023.

Page 5



CONCLUSIONS

Any questions?

