

Report of the Deputy Chief Executive

AUDIT OF ACCOUNTS AND ASSOCIATED MATTERS1. Purpose of report

To note progress with the audit of the Statement of Accounts for both 2021/22 and 2022/23 and to receive an updated Auditor's Annual Report for the year ended 31 March 2022.

2. Recommendation

The Committee is asked to NOTE the report.

3. Detail

The Council's appointed external auditors, Mazars, provided a verbal update to this Committee on 27 November 2023 in respect of progress with the audit of accounts for both 2021/22 and 2022/23.

a. Audit of Accounts 2021/22

Mazars have now completed their work on the Statement of Accounts 2021/22. The auditors published their initial Audit Completion Report for 2021/22, which was considered by this Committee in March 2023. With outstanding matters at a national level now finally resolved, Mazars issued its audit report on 21 November 2023 and gave an unqualified opinion on the 2021/22 accounts.

The auditors have since completed their work in respect of the Value for Money conclusion for 2021/22. Mazars did not identify any significant weaknesses in the Council's arrangements that require it to make a recommendation. An updated Auditor's Annual Report for the year ended 31 March 2022 is now included as part of this agenda.

The only outstanding matter now relates to Whole of Government Accounts (WGA). Mazars is unable to issue the signed audit certificate for 2021/22 until the National Audit Office (NAO) issues final instructions regarding sampled components for the purposes of the WGA.

b. Audit of Accounts 2022/23

In July 2023, this Committee received Mazars' Audit Strategy Memorandum – year ending 31 March 2023 setting out their approach to the 2022/23 audit of accounts, highlighting the significant audit risks and areas of key judgements.

The draft Statement of Accounts 2022/23 were approved and presented to the external auditors for review on 31 May 2023, in line with the statutory deadline required by the Accounts and Audit (Amendment) Regulations 2022. The public inspection period commenced on 1 June 2023 and ended on 12 July 2023 with details placed on the Council's website.

Mazars' subsequently commenced their review of the Council's draft 2022/23 accounts remotely. This work has involved scrutinising working papers and other supporting documentation and liaising with officers and associated third parties. Mazars' work focused upon the following significant risks being the management override of controls; net defined benefit liability valuation; and the valuation of dwellings, land and buildings and investment property.

Mazars have almost concluded their work on the 2022/23 accounts, although it is not yet in a position to present their Audit Completion Report. Instead, an Audit Progress Report is provided with this agenda and Mazars will be available virtually at the meeting to present this update and respond to any enquiries.

Mazars are looking to complete their audit testing at the earliest opportunity. The auditors have not indicated any significant weaknesses in the Council's arrangements from its audit testing to date that would require it to make a significant recommendation. The aim remains to achieve a clean and unqualified audit opinion on the 2022/23 accounts.

Once the audit is concluded, Members will receive the Audit Completion Report for the year ending 31 March 2023 from Mazars and be asked to approve the final Statement of Accounts 2022/23 and the letter of representation in accordance with the regulations.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no direct financial implications arising from this report.

5. Legal Implications

The comments from the Head of Legal Services and Deputy Monitoring Officer were as follows:

The legislation, the Accounts and Audit Regulations (2015) and the Accounts and Audit (Amendment) Regulations 2022, sets out the timescales for the production of the Council's accounts, including the dates of the public inspection period. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor's final findings.

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Deputy Chief Executive) has the responsibility for the administration of those affairs, which include responsibility for preparing the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

The Statement of Accounts is that upon which the auditor should enter his certificate and opinion which is prepared under the Local Government Finance Act 2003.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Unison comments in relation to this report.

8. Climate Change Implications

There were no comments from the Waste and Climate Change Manager.

9. Data Protection Compliance Implications

There are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

11. Background Papers

Nil