

AUDIT AND GOVERNANCE COMMITTEE



Report subject	External Audit - Audit Progress 2020/21
Meeting date	17 March 2022
Status	Public Report
Executive summary	<p>Grant Thornton, as the Council's appointed External Auditors, have produced a report (Appendix A) which provides an update to Audit & Governance Committee on their progress to date in delivering their responsibilities.</p> <p>The report states that, as previously reported, a number of matters had arisen that delayed completion of their 2020/21 opinion audit.</p> <p>Work has now been substantially completed however there are two key areas that have impacted on the revised completion timetable of the end of February 2022 covering pension liabilities assurance from the Pension Fund auditor and national infrastructure accounting issues.</p> <p>Grant Thornton intends to keep Audit & Governance Committee appraised of progress towards completion of the audit.</p> <p>Work has been completed on certification of claims and returns for the Council, as detailed in the report.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Audit & Governance Committee notes the External Auditor's progress to date in delivering their responsibilities</p>
Reason for recommendations	To update Audit & Governance Committee on the External Auditor's progress to date in delivering their responsibilities.
Portfolio Holder(s):	Drew Mellor, Leader of the Council
Corporate Director	Graham Farrant, Chief Executive
Report Authors	<p>Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk</p>
Wards	Council-wide
Classification	For Information

Background

1. During 2017, Public Sector Audit Appointments (PSAA) awarded contracts for audit for a five-year period beginning on 1 April 2018. This year is the third year of that contract, Grant Thornton are the appointed External Auditors for Bournemouth, Christchurch and Poole Council.
2. Grant Thornton, as the Council's External Auditors, have a responsibility to provide regular updates to those charged with governance (Audit & Governance Committee) on progress made in delivering their responsibilities.

External Audit Progress Report

Progress at March 2022

3. The attached report (Appendix A) details progress made by Grant Thornton in delivering their responsibilities as external auditors.
4. The report states that, as previously reported, a number of matters had arisen that delayed completion of their 2020/21 opinion audit.
5. Work has now been substantially completed however there are two key areas that have impacted on the revised completion timetable of the end of February 2022:
 - Further delay in work undertaken by the auditor of the Dorset Pension Fund.
 - A national issue regarding the accounting of infrastructure assets where remedial/renewal expenditure has been incurred subsequent to the original expenditure on the asset.
6. The report states that these two issues are beyond the control of the Council and without these Grant Thornton would be looking to conclude their work over the next few weeks.
7. Grant Thornton intends to keep Audit & Governance Committee apprised of progress towards completion of the audit.

Certification of claims and returns

8. The following progress has been made on the certification of claims and returns for the Authority:
 - Teachers' Pensions return – as previously reported, work is complete with minimal issues identified.
 - Housing Benefit Subsidy claim – work is complete with a small number of errors identified from extended testing.
 - Pooling of Housing Capital Receipts return – work is complete and no issues were identified.

Options Appraisal

9. An options appraisal is not applicable for this report.

Summary of financial implications

10. The proposed 2020/21 BCP Council Audit fee is £200,500 with an additional £37,000 for the Audit of subsidiary charities (total value £237,500).

Summary of legal implications

11. There are no direct legal implications from this report.

Summary of human resources implications

12. There are no direct human resources implications from this report.

Summary of sustainability impact

13. There are no sustainability impact implications from this report.

Summary of public health implications

14. There are no direct public health implications from this report.

Summary of equality implications

15. There are no direct equality implications from this report.

Summary of risk assessment

16. There are no direct risk implications from this information report.

Background papers

None

Appendices

Appendix A – Grant Thornton – BCP Audit Progress Report