

AUDIT AND GOVERNANCE COMMITTEE



Report subject	External Audit - 2021/22 ISA260 Audit Findings Report and Statement of Accounts 2021/22
Meeting date	30 May 2024
Status	Public Report
Executive summary	<p>The attached report set out the findings of the council's external auditor following their audit of the council's statement of accounts for 2021/22 as well as presenting the latest revised version of the statement of accounts. The key points to note are:</p> <ul style="list-style-type: none"> • Grant Thornton anticipates providing an unqualified opinion on the financial statements for the council; and that • Grant Thornton anticipates issuing a qualified "except for" value for money conclusion due to the findings of children's services, the councils financial sustainability and governance.
Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</p> <p>(a) Note the anticipated audit opinion and findings of the council's external auditor included as Appendix 1 to this report, following the audit of accounts 2021/22;</p> <p>(b) Approves the 2021/22 financial statement included at Appendix 2.</p> <p>(c) Approves the signing of the Statement of Responsibilities and the Letter of Representation by the Chair of the Audit & Governance Committee and the S151 Officer once the audit work is complete.</p>
Reason for recommendations	To ensure that the Audit & Governance Committee are fully informed of the audit opinion and findings of the council's external auditor following their audit of the council's financial statements for the year ended 31 March 2021, as set out in the report attached.

Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Matthew Filmer, Assistant Chief Financial Officer
Wards	Council-wide
Classification	For Information

Background

1. Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), the external auditor is required to report whether, in their opinion, the group and council's financial statements:
 - a. gives a true and fair view of the financial position of the group and the council and their income and expenditure for the year; and
 - b. has been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.
2. In addition, the external auditor is required to reach a formal conclusion on whether the council has put in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources (the Value for Money conclusion).
3. This report sets out the findings of the council's external auditor following their audit work to date on the councils' statement of accounts 2021/22.
4. The Committee is today asked to note the audit findings report (Appendix 1) as well as the Statement of Accounts 2021/22 (Appendix 2). The Committee are also asked to approve the signing of the Letter of Representation and the Statement of Responsibilities by the Committee Chair and S151 Officer once the audit is complete at the end of March. The final documentation will be published on the council's website as well as notification of the conclusion to the audit.

Audit Findings Report

5. The attached report (Appendix 1) highlights the key matters arising from the audit of the council's financial statements for the year ended 31 March 2022. A verbal update will be given to the committee to cover the outstanding area of pensions.
6. The following key issues from the report are noted:
 - Grant Thornton anticipates providing an unqualified opinion on the financial statements for the council; and that.
 - Grant Thornton have reviewed the council's arrangements to secure economy, efficiency, and effectiveness in its use of resources and have not been able to satisfy themselves this is place at the council.

Audit Fees

7. The attached report indicates that the total proposed external audit fee will £252,000 for the 2021/22.
8. These have been agreed by the Council, Grant Thornton, and Public Sector Audit Appointments.

Summary of financial implications

9. The direct financial implications relate to the audit fees set out above.

Summary of legal implications

10. There are no direct legal implications for this report.

Summary of human resources implications

11. There are no direct human resources implications for this report.

Summary of sustainability impact

12. There are no direct sustainability impacts for this report.

Summary of public health implications

13. There are no direct public health impacts for this report.

Summary of equality implications

14. There are no direct equality implications for this report.

Summary of risk assessment

15. The areas identified for development by the Council's external auditors will be fully discussed during the risk management review process and appropriate mitigations will be discussed with Corporate Management Team.

Appendices

Appendix 1 – Grant Thornton Audit Findings Report for year ending 31st March 2022

Appendix 2 – BCP Council Statement of Account 2021/22