

# Supplemental Items for Governance and Ethics Committee

**Monday, 25th April, 2022 at 6.30 pm**  
in Second Floor Meeting Area Council  
Offices Market Street Newbury

## Part I

Page No.

10	<b>Draft Audit Findings for West Berkshire Council - Financial Year Ended 31 March 2021</b> Report to follow.	1 - 40
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Sarah Clarke

Service Director (Strategy & Governance)

For further information about this/these item(s), or to inspect any background documents referred to in Part I reports, please contact Sadie Owen (Principal Democratic Services Officer) on 01635 519052

e-mail: [sadie.owen1@westberks.gov.uk](mailto:sadie.owen1@westberks.gov.uk)

Further information and Minutes are also available on the Council's website at

[www.westberks.gov.uk](http://www.westberks.gov.uk)

West Berkshire Council is committed to equality of opportunity. We will treat everyone with respect, regardless of race, disability, gender, age, religion or sexual orientation.

If you require this information in a different format or translation, please contact Sadie Owen on telephone (01635) 519052.



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## Draft Audit Findings for West Berkshire Council – Financial Year Ended 31 March 2021

<b>Committee considering report:</b>	Governance and Ethics Committee
<b>Date of Committee:</b>	25 April 2022
<b>Portfolio Member:</b>	Councillor Ross Mackinnon
<b>Date Head of Service agreed report: (for Corporate Board)</b>	12 April 2022
<b>Date Portfolio Member sent/agreed report:</b>	12 April 2022
<b>Report Author:</b>	Shannon Coleman-Slaughter
<b>Forward Plan Ref:</b>	GE4217

### 1. Purpose of the Report

This report provides members with the draft audit findings report provided by Grant Thornton in respect of their external review of the 2020/21 Financial Statements.

### 2. Recommendation

That delegated authority to sign the 2020/21 Financial Statements is delegated the Councils Executive Director for Resources (S151 Officer) and the Chair of the Governance & Ethics Committee, once the Council's appointed external auditors Grant Thornton provide a formal opinion on the 2020/21 Financial Statements and in the absence of any material changes.

### 3. Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	Not applicable
<b>Human Resource:</b>	Not applicable
<b>Legal:</b>	<p>Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), the external auditors are required to report whether, in their opinion, the Council's financial statements:</p> <ul style="list-style-type: none"> <li>• give a true and fair view of the financial position of the Council and Council's income and expenditure for the year; and</li> <li>• have 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.</li> </ul>

<b>Risk Management:</b>	Not applicable			
<b>Property:</b>	Not applicable			
<b>Policy:</b>	Not applicable			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
<b>Environmental Impact:</b>		X		
<b>Health Impact:</b>		X		
<b>ICT or Digital Services Impact:</b>		X		
<b>Council Strategy Priorities or Business as Usual:</b>		X		
<b>Data Impact:</b>		X		
<b>Consultation and Engagement:</b>	Joseph Holmes (Executive Director for Resources, S151 Officer)			

## 4. Executive Summary

- 4.1 This report provides members with the draft audit findings report provided by Grant Thornton in respect of their external review of the 2020/21 Financial Statements.

- 4.2 The Council's appointed external auditors are required under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), to report on, in their opinion, if the Council's financial statements:
- (a) Give a true and fair view of the financial position of the Council and Council's income and expenditure for the year; and
  - (b) have 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.
- 4.3 The external auditors are also required to report on whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report), is not materially inconsistent with the financial statements or knowledge obtained in the process of the audit, or otherwise appears to be materially misstated.
- 4.4 The external audit of the 2020/21 Financial Statements was commenced in November 2021. The draft audit findings report as at April 2022, produced by Grant Thornton is included in appendix A.
- 4.5 The draft attached draft findings report as supplied by Grant Thornton states the following:
- “We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Governance and Ethics Committee meeting on 25 April 2022. These outstanding items include:
- Review of the cash flow statement
  - Consideration and review of management's accounting policies for infrastructure assets
  - Management's response to the inquiry in relation to infrastructure assets
  - Receipt of management representation letter; and
  - Review of the final set of financial statements.”
- 4.6 The 2020/21 financial statements have been revised for a £718k adjustment to the Council's Comprehensive Income and Expenditure Statement (CIES) as a result of findings identified by the external auditors. The adjustment details are included in the Audit Findings Report (appendix C Audit Adjustments), in appendix A.

## 5. Supporting Information

The draft external audit findings report is detailed in appendix A.

### Proposals

No proposals are made within this report. Members are to note the report only.

## 6. Other options considered

6.1 None, report is a statutory requirement.

## 7. Conclusion

7.1 The revised findings report from the Council's external auditors highlights the adjustments that has been made to the 2020/21 Financial Statements. Currently the external auditors work remains ongoing. On the basis that no material adjustments to the 2020/21 Financial Statements are anticipated the recommendation has been made that delegated authority is given to the Executive Director for Resources and Chair of the Governance & Ethics Committee to formally sign off the 2020/21 Financial Statements upon receipt of a final audit opinion.

## 8. Appendices

8.2 Appendix A – The Draft Audit Findings for West Berkshire Council Year Ended 31 March 2021 (Issued by Grant Thornton April 2022).

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### Subject to Call-In:

Yes:  No: X

The item is due to be referred to Council for final approval	<input type="checkbox"/>
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>
Delays in implementation could compromise the Council's position	<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>
Item is Urgent Key Decision	<input type="checkbox"/>
Report is to note only	X

**Wards affected:** \*(add text)

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### Officer details:

Name: Shannon Coleman-Slaughter  
Job Title: Chief Financial Accountant  
Tel No: 01635 503225  
E-mail Address: Shannon.colemanslaughter@westberks.gov.uk

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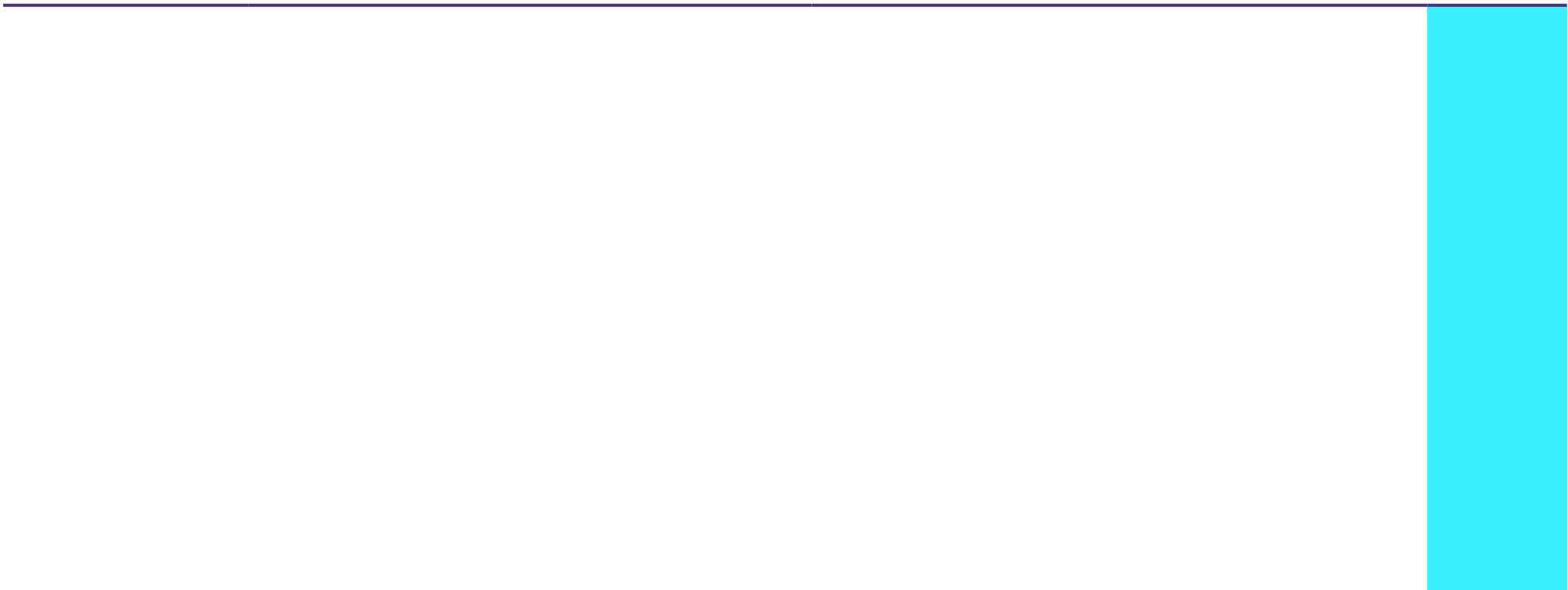
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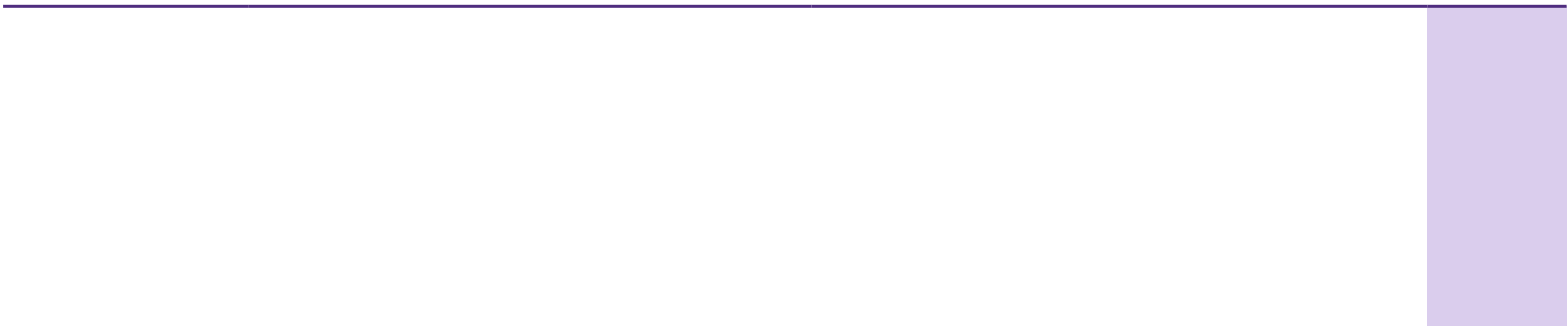
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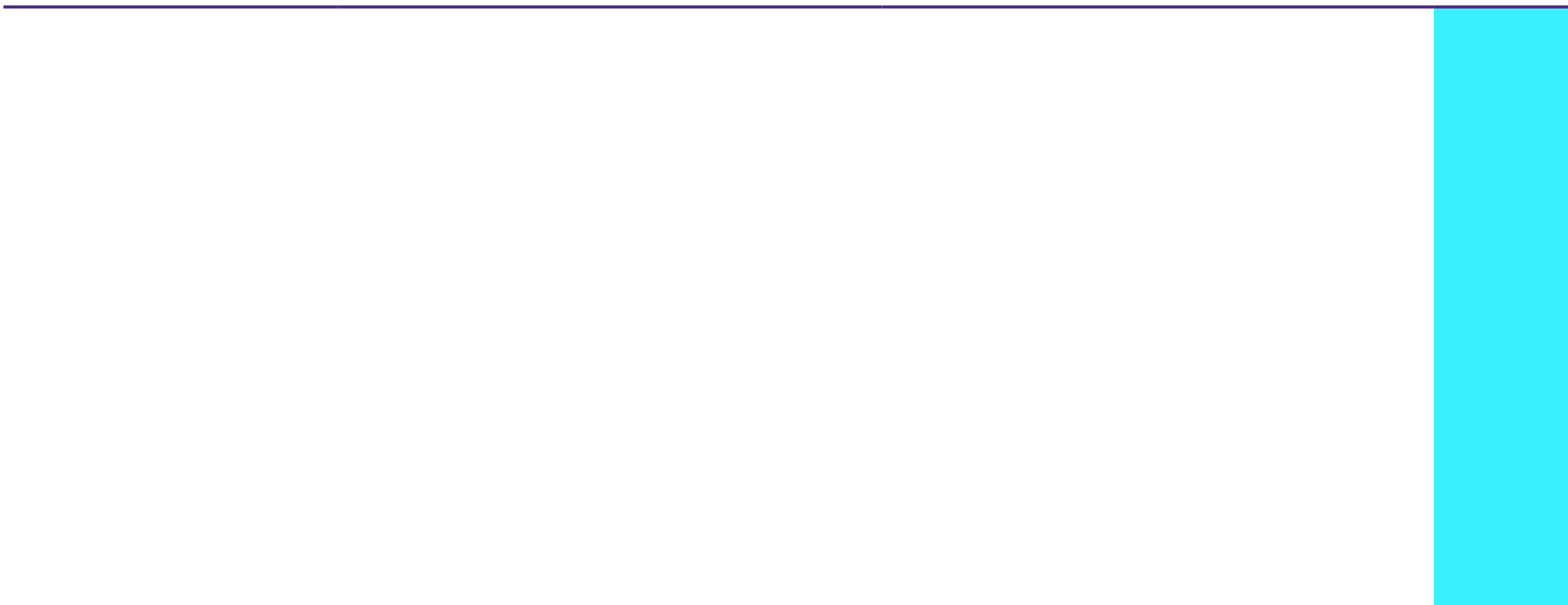
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### Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570).

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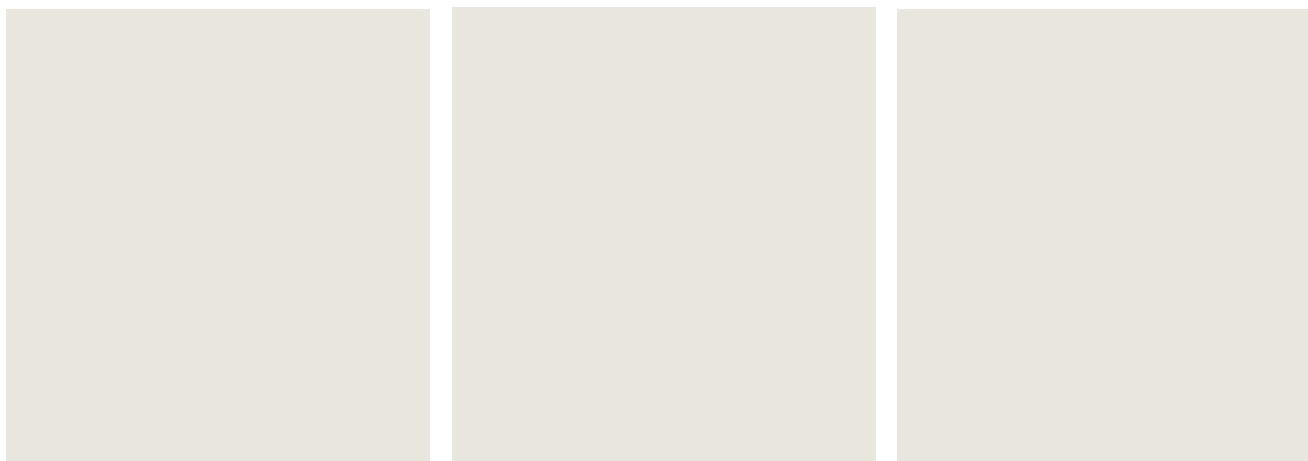
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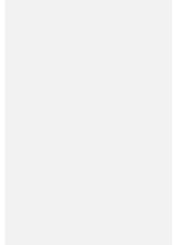
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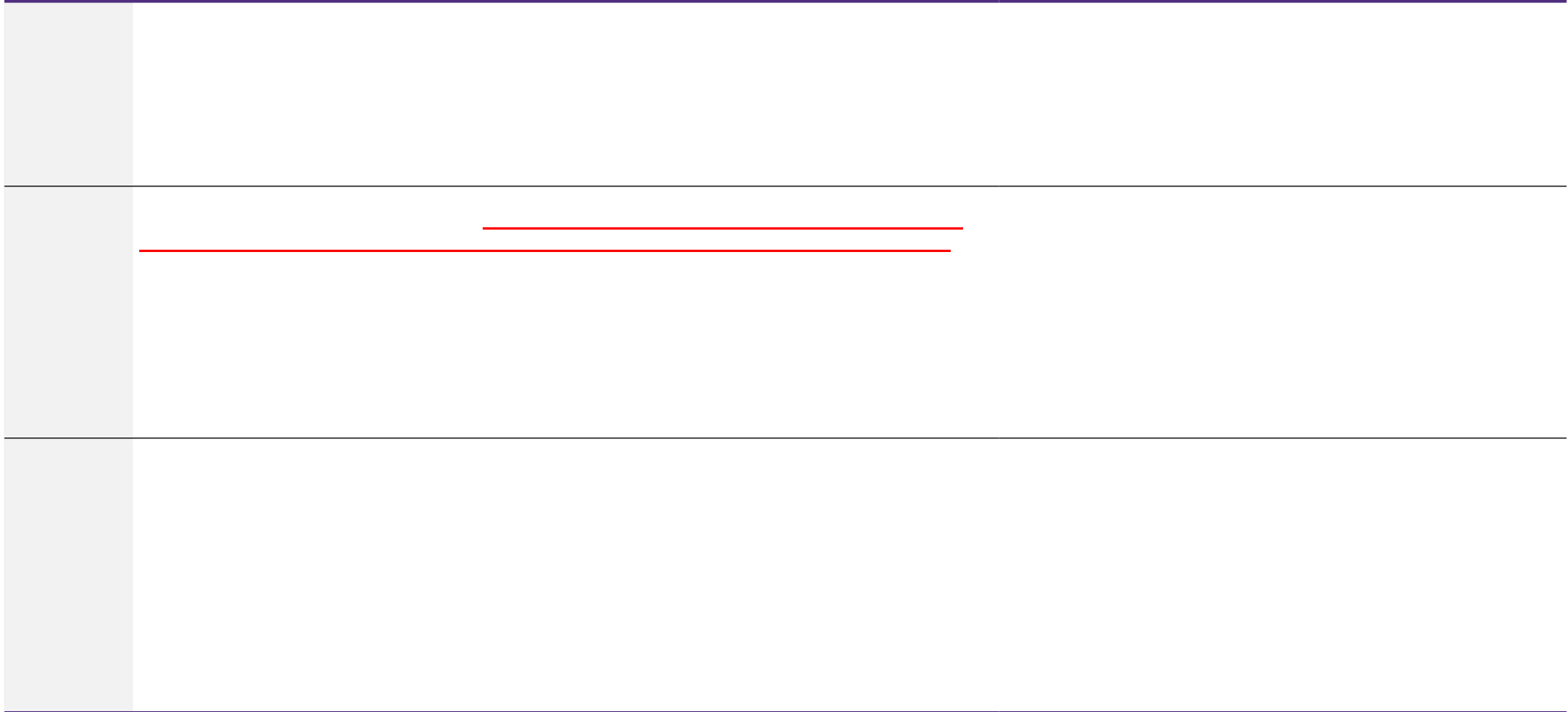
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