
External Audit Findings Report for Financial Statements 2020/21

Committee considering report:	Governance Committee
Date of Committee:	26 June 2023
Portfolio Member:	Councillor Iain Cottingham
Date Portfolio Member agreed/sent report:	16 June 2023
Report Author:	Shannon Coleman-Slaughter
Forward Plan Ref:	GE4414

1 Purpose of the Report

This report provides members an updated 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
Financial:	Not applicable
Human Resource:	Not applicable
Legal:	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:

	<ul style="list-style-type: none"> • give a true and fair view of the financial position of the Council and Council's income and expenditure for the year; and • 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. 			
Risk Management:	Not applicable			
Property:	Not applicable			
Policy:	Not applicable			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		
Health Impact:		X		

ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:		X		
Core Business:		X		
Data Impact:		X		
Consultation and Engagement:	Joseph Holmes (Executive Director for Resources)			

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 June 2023, produced by Grant Thornton is included in appendix A.
- 4.5 The external auditor’s findings in summary is:

“Our audit work has been undertaken remotely from November 2021. We have identified 7 material adjustments to the financial statements which have resulted in a £8,435k

adjustment to the Council's Comprehensive Income and Expenditure Statement. We have also raised recommendations for management as a result of our audit work.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion or further material changes to the financial statements, subject to the following outstanding matters;

- (a) receipt of management representation letter; and*
- (b) review of the final set of financial statements.*

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated audit report will be unmodified."

5 Supporting Information

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

Proposals

No proposals are made within this report.

6 Other options considered

Not applicable, this report is statutory in nature.

7 Conclusion

The revised audit findings report from the Council's external auditors highlights the adjustments that has been made to the 2020/21 Financial Statements. On the basis of the revised audit findings report and 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

- 8.1 Appendix A – The Draft Audit Findings for West Berkshire Council Year Ended 31 March 2021 (Issued by Grant Thornton June 2023).

Subject to Call-In:

Yes: No: X

The item is due to be referred to Council for final approval

- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

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