

# External Audit Annual Audit Report - 2020/21

<b>Committee considering report:</b>	Governance Committee
<b>Date of Committee:</b>	25 September 2023
<b>Portfolio Member:</b>	Councillor Iain Cottingham
<b>Date Portfolio Member agreed/sent report:</b>	12 September 2023
<b>Report Author:</b>	Shannon Coleman-Slaughter
<b>Forward Plan Ref:</b>	G4455

## 1 Purpose of the Report

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

## 2 Recommendation

- 2.1 That authority to approve the 2020/21 Financial Statements is delegated to the Council's Executive Director for Resources (S151 Officer) in consultation with the Chair of the Governance Committee, adjusting the financial statements for the changes included within the Grant Thornton reports and updated for revised signatures of the new political administration.
- 2.2 That the Committee approves the letter of representation included in appendix B.

## 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	Not applicable
<b>Human Resource:</b>	Not applicable
<b>Legal:</b>	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"> <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 Impact:</b>		X		
<b>Digital Services Impact:</b>		X		
<b>Council Strategy Priorities:</b>		X		
<b>Core Business:</b>		X		
<b>Data Impact:</b>		X		
<b>Consultation and Engagement:</b>	Joseph Holmes (Executive Director for Resources)			

## 4 Executive Summary

- 4.1 This report provides members with the Annual Audit Report (AAR) provided by Grant Thornton in respect of their external review of the 2020/21 Financial Statements and is in conjunction with the draft audit findings report presented to the governance committee in June 2023.
- 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 final report, as at September 2023, produced by Grant Thornton is included in appendix A and incorporates their work on Value For Money.
- 4.5 The external auditor's findings in summary in respect of financial sustainability, governance and improving efficiency, economy and effectiveness is:

*“No risk of significant weakness identified”*

- 4.6 The report on the financial statements was included in the June 2023 Governance Committee.
- 4.7 Following this meeting, the Council should expect to receive the 2020-21 audit opinion and closure of the financial statements having adjusted these for the latest updates from GT and for the respective officer and member’s signatures. Included in appendix B is the management letter of representation back to GT that forms part of GT’s assurance work on the annual audit for 2020-21.

## 5 Supporting Information

The external auditors Annual Audit report (AAR) 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 and were reported to the June 2023 Governance Committee. This AAR supplements the work of GT with their Value For Money work, and together should enable the closure of the 2020-21 financial statements audit work.

## 8 Appendices

- 8.1 Appendix A – The Annual Audit Report for West Berkshire Council Year Ended 31 March 2021 (Issued by Grant Thornton September 2023).
- 8.2 Appendix B – Letter of representation
- 8.3 Appendix C - Updated 2020/21 accounts

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### 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

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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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