

SUBJECT:	EXTERNAL AUDIT: AUDIT COMPLETION REPORT
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	COLLEEN WARREN, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 This report summarises the findings from the 2021/22 audit, which is substantially complete. It identifies the key issues that Members should consider before an opinion, conclusion and certificate are issued.
- 2.1 This report includes only matters of governance interest that have come to the external auditor's attention in performing the audit. It is not designed to identify all matters that might be relevant to the Authority.
- 2.2 The report will be presented at the meeting by the Council's External Auditors, Mazars.

2. Executive Summary

- 2.1 The Council's financial statements are an important means by which the Council accounts for its stewardship of public funds. Council Members have final responsibility for the financial statements. It is therefore important that the Audit Committee consider Mazars findings before recommending the adoption of the financial statements to Full Council.

3. Opinion on the financial statements

- 3.1 At the time of preparing this report, Mazars work on the financial statements was substantially complete. Subject to the satisfactory conclusion of any outstanding work, Mazars anticipate issuing an unqualified audit opinion without modification (a report to those charged with governance (IAS 260) is attached at Appendix A).
- 3.2 As part of the audit work undertaken Mazars have considered the internal controls in place relevant to the preparation of the financial statements. The findings of this work has resulted in 1 low recommendation being made in respect of:

- Journal processing

Further detail of the findings and recommendation are provided in section 5 of the attached report.

- 3.3 In relation to misstatements in the accounts there was one misstatement identified that was above the threshold level of £37k. This misstatement was adjusted for as part of the audit process and has been reflected in the version of the Statement of Accounts that is presented elsewhere on this agenda.

Further details of these misstatement is provided in section 6 of the attached report.

There were no unadjusted misstatements identified during the course of the audit above the threshold level of £37k.

- 3.4 A fully amended copy of the Statement of Accounts is presented elsewhere on this agenda.

4. Value for Money conclusion.

- 4.1 Mazars are yet to complete their work in respect of the Council's arrangements in securing economy, efficiency and effectiveness in its use of resources. At the time of preparing this report, no significant weaknesses in arrangements, that require a recommendation to be made, have been identified. However, work continues to be undertaken on the Council's arrangements and a commentary on these arrangements will be provided in the External Auditor's Annual Report in December 2022.

5. Strategic Priorities

- 5.1 The Council's Statement of Accounts are a financial summary of the Council's activities in support of its Vision 2025 and Strategic Priorities during the financial year 2021/22.

The external audit of the Council's financial statements and VFM conclusion is a statutory requirement and as such contributes towards the fitness for purpose of the Council's governance arrangements.

6. Organisational Impacts

- 6.1 Finance

There are no direct financial implications arising as a result of this report.

- 6.2 Legal Implications including Procurement Rules

In accordance with the Accounts and Audit (Amendment) Regulations 2022 the Statement of Accounts must be approved and published by the Council, together with the audit opinion and certificate, by the 30th November 2022.

- 6.3 Equality, Diversity and Human Rights

There are no equality, diversity or human rights issues arising as a result of this report.

7. Risk Implications

- 7.1 There are no risk implications arising as a result of this report.

8. Recommendation

8.1 Audit Committee are asked to:

- a) Consider the matters raised in the report before recommending the financial statements for approval by Full Council;
- b) Approve the draft letter of representation, attached at Appendix B, on behalf of the Council before Mazars issue an opinion, conclusion and certificate and delegate any further amendments to the letter, should any additional issues be raised by Mazars, to the Chief Finance Officer and Chair of this Committee, with any changes reported back to this Committee.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? Two

List of Background Papers: Draft Statement of Accounts 2021//22 – Audit Committee 19th July 2022.

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