

Report to: **Audit Committee**

Date: **17 September 2021**

By: **Chief Finance Officer**

Title of report: **Review of the Grant Thornton (GT) report to those charged with governance and Statement of Accounts for 2020-21**

Purpose of report: **For the Committee to review the Independent Auditor's (GT) report to those charged with governance prior to its submission to the Governance Committee on 30 September 2021.**

RECOMMENDATIONS: The Committee is asked to:

- (i) note the report and its appendices; and**
 - (ii) identify any concerns arising from the Independent Auditor's (GT) report or the management response to it, that need to be brought to the attention of the Governance Committee.**
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1. Background

1.1 This report summarises the key findings arising from the audit work of Grant Thornton (GT) in relation to the Council's 2020/21 financial statements. In previous years this report would have included an assessment on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources ('VFM conclusion'): under new National Audit Office, Code of Audit Practice, requirements the VFM conclusion will be reported separately, later in the year.

2. Supporting Information

2.1 Under its terms of reference, it is the role of this Committee to "Review the annual statement of accounts and the external auditor's report to those charged with governance."

2.2 It is the role of the Governance Committee to approve the County Council Statement of Accounts having considered whether appropriate accounting policies have been followed and any issues raised by GT from the audit of the accounts.

2.3 The GT report to those charged with governance and the Council's Statement of Accounts for 2020/21, along with the covering report under which they will be taken to the Governance Committee for approval on 30 September 2021 are attached at Appendix A.

2.4 The audit of the 2020/21 Statement of Accounts is now largely completed. Whilst there remain a few outstanding items to finalise the audit, I am pleased to be able to report that GT are anticipating being able to issue an unqualified audit opinion by 29 September 2021.

2.5 A small number of presentational adjustments arising from normal audit work have been noted, discussed, and resolved as stated in the reports to those charged with governance. The report confirms that prior year recommendations have been actioned, and at this stage no specific management actions arising from the 2020/21 audit have been notified.

2.6 In 2019/20 the authority's professional valuer of land and buildings, Montagu Evans, declared material uncertainties relating to the full balance of land and buildings. For 2020/21, the authority's new valuer, Bruton Knowles, has stated that a material uncertainty is not relevant except for leisure and hospitality assets, as the impact of the pandemic continues. As the authority

has only in the region of £15m specific leisure type assets and £2.5m non-specific leisure type assets, GT are satisfied that this uncertainty does not breach the performance materiality of the audit and, therefore, does not need to be disclosed within the statement of accounts.

3. Conclusion and reasons for recommendations

3.1 In carrying out their responsibility for review, Members should consider:

- The findings made by the external auditors as a result of final audit of the 2020/21 accounts;
- Whether there is any issue arising that Members might wish to bring to the attention of the Governance Committee when it meets to approve the Statement of Accounts for 2020/21 on 30 September 2021.

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Local Member(s): All
Background Documents: None