

Report to: Audit Committee

Date of meeting: 7 July 2023

By: Chief Finance Officer

Title: External Audit Plan 2022/23

Purpose: To inform the Audit Committee of the content of the Council's External Audit Plan for 2022/23

RECOMMENDATION:

The Committee is recommended to consider and comment on the External Audit Plan for 2022/23

1. Background

1.1 The External Audit Plan provides an overview of the planned scope and timing of the statutory audit of the Council's accounts and identifies any significant risks. Grant Thornton (GT), as the Council's external auditors, must form and express an opinion on the financial statements for the Council.

2. 2022/23 Financial Statements

2.1 The External Audit Plan for 2022/23 (Appendix 1) identifies a number of risks that require audit consideration as they could potentially cause a material error in the financial statements. These have not changed from the 2021/22 audit and are:

- ISA240: Fraudulent revenue recognition (this presumed risk has been rebutted);
- Fraudulent expenditure recognition (this presumed risk has been rebutted);
- Management override of controls (journals, estimates and transactions);
- Valuation of land and buildings;
- Valuation of Pension Fund net liability;
- Accuracy and accounting for Public Finance Initiative (PFI) liabilities.

2.2 No significant VfM weaknesses have been identified during GT's initial planning work. Further information will be requested at a later point.

2.3 This is the draft plan, which still needs to be reviewed and finalised. It should be noted that the timeline on page 18 proposes that the year-end audit takes place between July and October 2023. This would mean that we would miss the national deadline of 30 September 2023 for the publication of audited statement of accounts. GT has communicated to CIPFA that, based on the experience of the previous 2 years and the resource constraints they face, it is unlikely that they will be able to meet 30 September 2023 deadline. GT is aiming to get the audit concluded by the end of October 2023, which means this is likely to slip into November 2023, when Audit and Governance Committee attendance is taken into account.

2.4 The proposed audit fee for 2022/23 is £129,850. The fee for 2021/22, whilst stated at £124,350, has yet to be finalised as the audit has not been concluded. All fees, including additional charges, are reviewed and confirmed by the Public Sector Audit Appointment (PSAA) Ltd.

3. Conclusion and Recommendation

3.1 The External Audit Plan provides an overview of the planned scope and timing of the statutory audit of the Council's 2022/23 accounts and identifies any significant risks. The plan is presented to the Audit Committee for consideration and comment, before going to Cabinet on 18 July 2023.

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Background Documents

None