



AUDIT AND GOVERNANCE COMMITTEE:

29 October 2019

Report of: Borough Treasurer

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SUBJECT: GRANT THORNTON - AUDIT FINDINGS REPORT

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To receive an updated report from our External Auditors setting out their findings on the audit of the accounts and value for money.

2.0 RECOMMENDATIONS

2.1 That the Audit Findings report be noted.

2.2 That consideration be given to the steps that can be taken to ensure that the audit of the accounts for 2019/20 can be completed within the expected 2 month timescale.

2.3 That consideration is given to the letter from Grant Thornton set out in Appendix 2 requesting an increase in their audit fee.

3.0 BACKGROUND

3.1 A report on the Statement of Accounts for 2018-19 was considered by this Committee at its meeting in May. The unaudited accounts were published at this time, in accordance with statutory timescales, and a notice placed on the Council website to make Members of the Public aware of their rights to inspect the accounts.

3.2 During June and July a team of auditors from Grant Thornton spent several weeks auditing the accounts and reviewing the Statement. The External Auditors then presented a draft Audit Findings report to the Audit and Governance

Committee meeting at the end of July 2019. At that meeting it was resolved:

"That the draft Audit Findings report be noted and that the final version will be circulated to Members of the Committee as soon as it is received"

- 3.3 The audited version of the statement of accounts should be published by the end of July each year. However it was not possible to meet this timescale this year as the audit has not been concluded. Consequently following the meeting a notice was placed on the Council website, in accordance with regulatory requirements, to advise that the publication of the audited accounts had been delayed.

4.0 CURRENT POSITION

- 4.1 At the time of writing this report the final version of the Audit Findings report had not been received from Grant Thornton. While the draft accounts were produced within the required 2 month period, the audit has now been ongoing for around 4.5 months. It would be helpful to discuss the reasons for this at the Committee meeting and to consider what steps can be taken to ensure that the audit of next year's accounts can be completed within the expected 2 month timescale.
- 4.2 The latest version of the draft Audit Findings report shows that the Council will receive an unqualified opinion on its accounts and provides a positive conclusion on value for money. It also does not require any changes to be made to the version of the Statement of Accounts that was approved by the Committee at its meeting in July. It is hoped that it will be possible to circulate the final version of the Grant Thornton Audit Findings report in advance of the Committee meeting.
- 4.3 A letter has been received from Grant Thornton concerning increasing their fee for the audit work they have carried out this year (included at Appendix 2). Members are asked to consider this letter and the response that should be provided.
- 4.4 Representatives of Grant Thornton will attend the Committee meeting to present their findings from their audit and to answer any questions that Members may have.

5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

6.0 RISK ASSESSMENT

- 6.1 The audit of the Statement of Accounts is part of the overall control framework that is designed to ensure that the Council properly accounts for the use of its assets and resources.
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Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix 1 – Grant Thornton Audit Findings Report

Appendix 2 – Grant Thornton Letter - Fee variations in relation to the 2018-19 external audit