



COUNCIL: 5 April 2023

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**Report of: Head of Finance, Procurement and Commercial Services**

**Relevant Portfolio Holder: Councillor A. Yates**

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**SUBJECT: GRANT THORNTON'S EXTERNAL INTERIM AUDIT FINDINGS REPORT  
FOR WEST LANCASHIRE BOROUGH COUNCIL (AFR) 2020/21**

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Wards Affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To provide sight of the 2020/21 Interim External Audit Findings Report from Grant Thornton referred to Council from the Audit & Governance Committee.

## **2.0 RECOMMENDATIONS**

2.1 That the report be noted.

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## **3.0 BACKGROUND**

3.1 The External Audit Findings Report in appendix one, dated December 2022, was presented to the Audit & Governance Committee on 31 January 2023. The Committee referred the report to Council for consideration. The minute of the Committee reads as follows:

***"8 EXTERNAL INTERIM AUDIT FINDINGS REPORT FOR WEST LANCASHIRE BOROUGH COUNCIL (AFR) 2020/21***

*Consideration was given to the External Interim Audit Findings Report for West*

*Lancashire Borough Council (AFR) 2020/21 as contained on pages 387 to 444 of the Book of Reports, the purpose of which was to receive the Interim 2020/21 Audit Findings Report from our External Auditors Grant Thornton.*

*The Chairman invited Georgia Jones, Director, Grant Thornton, to present the report to the Committee.*

*In VFM conclusions a number of concerns were raised, the Council does not have satisfactory arrangements in place to prepare timely financial statements that are free from material error, 2020/21 accounts are still outstanding and prior year adjustments are required for 2019/20. In addition, the Council does not have satisfactory arrangements in place to ensure all procurement processes are followed.*

*Comments and Questions were raised as follows:*

- Will accounts have to be re-issued in respect of 2019/20?*
- What is the plan for completion, is an action or time plan in place?*
- What is the reason behind valuations not being agreed with?*
- Can formal instructions for valuations be put in place for the next audit?*
- What asset register are we using and how is this work completed?*

*The Director of Grant Thornton confirmed that they anticipate having an audit report in place for each Audit & Governance Committee meeting, but they are reliant on officers getting the information to them, therefore, the time frame is depending on this. She also noted that Grant Thornton haven't got enough evidence to support valuations, so can't say if they are right or wrong. They will need to see the information and background behind the valuations to assess this. The Finance and Estates Teams are working with Grant Thornton to finalise this work.*

*The Head of Finance, Procurement and Commercial Services confirmed that they will be looking to outsource future valuation work via a framework and will be ensuring that any provider is cited on the external audit requirements regarding this valuation work. He also noted that the asset register is currently maintained on spreadsheets and that a proposal had been included in the Budget Report to February Council asking for funds to purchase an electronic system which will be a more efficient method of managing this aspect of the accounts. In relation to the question raised about the lack of an asset register, the Head of Finance explained to members that they were referring to an Asset Management Plan for the commercial property estate and this was a separate issue.*

**RESOLVED:** A. *That the External Interim Audit Findings Report for West Lancashire Borough Council (AFR) 2020/21 be noted.*

B. *It was requested, by all members, that a copy of this Interim Report be presented to Full Council. Comment was made that these weaknesses are the responsibility of all Councillors, and they should all be aware of the issues."*

#### **4.0 GRANT THORNTON INTERIM AUDIT FINDINGS ANNUAL REPORT**

4.1 The interim report is attached as appendix one to this report.

## **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 work that our External Auditors undertake is an integral part of the Council's control framework and provides assurance to Members that the Council is operating effectively.

## **7.0 HEALTH AND WELLBEING IMPLICATIONS**

7.1 There are no Health and Wellbeing implications of this report

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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 One – External Interim Audit Findings Report for West Lancashire Borough Council (AFR) 2020/21