



Informing the Audit Risk Assessment for 2021/22

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Purpose of the Report

1. To review the information provided by management to Grant Thornton LLP, the council's appointed external auditors, required as part of the preparation needed for the audit of the 2021/22 Statement of Accounts.

Forward Plan

2. This report appeared on the Audit Committee Forward Plan with an anticipated Committee date of 22nd September 2022.

Public Interest

3. Financial statements are the main way in which councils account for how they use their resources. Councils must prepare and publish their Statement of Accounts setting out their financial performance for the year. To do this, they need to maintain proper accounting records and ensure they have effective systems of internal control.
4. Taxpayers, national bodies and other stakeholders reasonably expect that the auditor will normally be able to assure that the financial statements have been properly prepared, are free from material error, and that the body has proper arrangements in place to secure value for money.
5. Where the auditors are satisfied, that the financial statements present a true and fair view of the council's financial position, and that they have been prepared properly in accordance with relevant legislation and codes of practice, they issue an unqualified opinion.
6. Where they are not satisfied, or where they have other matters to which they wish to draw attention, they give a qualified report. Where the auditors consider that a particular matter is sufficiently serious to draw it to public attention more widely, including informing the relevant Secretary of State, they may choose to make a statutory recommendation requiring a public response or issue a Public Interest Report (PIR).
7. Grant Thornton LLP is the Council's appointed auditor responsible for the audit of the accounts for the periods 2019/20 through to 2022/23. As part of the preparation for the 2021/22 audit, Grant Thornton follows its risk assessment



South Somerset District Council

procedures to obtain an understanding of management processes in several areas. Appendix One to this report shares the information provided by the Council's management to help inform this risk assessment.

Recommendation

9. That Audit Committee notes the information provided to Grant Thornton LLP to inform their risk assessment in advance of the 2021/22 audit, and considers whether the responses are consistent with its understanding and whether there are any further comments it wishes to make.

Introduction and Background

10. Grant Thornton LLP is the Council's appointed auditor responsible for the audit of the Statement of Accounts for the periods 2019/20 through to 2022/23.
11. As part of their preparation for the 2021/22 audit, Grant Thornton LLP has followed its risk assessment procedures to obtain an understanding of management processes and the Council's oversight of the following areas:
 - General Enquiries of Management
 - Fraud
 - Laws and Regulations
 - Related Parties
 - Going Concern
 - Accounting Estimates
12. Appendix One to this report shares the information provided by the Council's management to help inform this risk assessment.
13. As at the time of this Audit Committee, the prior year's (2020/21) Statement of Accounts have not yet received a final audit opinion. This has been reflected in a number of managements' responses as given in the Appendix.

Financial Implications

14. There are no direct financial implications arising from this particular report.

Legal Implications

15. The audit is conducted in line with the requirements of the Local Audit and Accountability Act 2014.

Council Plan Implications

16. This relates to the Council's financial reporting and audit statutory duties and is not directly related to the Corporate Strategy



South Somerset
District Council

Carbon Emissions and Climate Change Implications

17. There are no carbon emissions or climate change implications in this report.

Equality and Diversity Implications

18. There are no equality or diversity implications.

Privacy Impact Assessment

19. There is no personal information included in this report.

Background Papers

None