



## Interim Audit Findings Report 2021/22

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## Purpose of the Report

1. This report introduces Grant Thornton UK LLP's Interim Audit Findings Report for 2021/22.

## Forward Plan

2. This report appeared on the Audit Committee Forward Plan with an anticipated Committee date of 23<sup>rd</sup> March 2023.

## Public Interest

3. Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice, the Council's external auditors report on the group and Council's financial statements and the governance of South Somerset District Council.

## Recommendations

4. That Audit Committee consider the matters identified in the interim report, note the draft audit findings as outlined in the report and note the next steps.

## Background

5. Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice, the Council's external auditors (Grant Thornton) report on the financial statements and the governance of the Council. The review of these reports is included within the remit of this committee under its terms of reference as follows:

“To consider the reports of external audit including the Annual Audit Letter and seek assurance from management that action has been taken.”

“To review and approve the annual Statement of Accounts, external auditor’s opinion and reports to members and monitor management action in response to issues raised.”

6. Members will note this report is an ‘Interim’ Audit Findings Report to summarise the key findings to date from the review undertaken so far by Grant Thornton on the 2021/22 Financial Statements.

### **Key Features of the Interim Audit Findings Report**

8. The Grant Thornton report specifies that work is still in progress on the 2021/22 audit and the reasons for these delays are highlighted in the report.
9. The significant matters part of the headlines section of the report (Page 3) identifies a number of issues that have meant that the audit of accounts has not been completed in line with the planned timescale.
10. It should also be noted that additional audit procedures have had to be undertaken by the auditors, which have involved technical specialists, in order to gain sufficient assurance in respect of the audit opinion. This will result in additional audit fees, the additional audit fees are subject to final approval by the PSAA.

### **Next Steps**

11. The auditors continue to work with officers to complete the outstanding work and aim to complete this work in order that the final audit findings report is taken to the next meeting of the Audit Committee of the new Somerset Council.
12. Appendix A of the final audit findings report will also include any additional issues and risk along with the management responses. However, it should be noted that management have already began discussions with the relevant officers to address the items included in the action plan of the interim audit findings report to ensure future audit of accounts do not experience the same issues.
13. The meeting will also propose approval of the Annual Governance Statement and the 2021/22 final Statement of Accounts.
14. The proposed fees chargeable for the audit of the Statement of Accounts as per the audit plan are included in Appendix D, as noted above the final fee is to be determined and discussed with management at the conclusion of the audit. The final figure, in respect of the audit of accounts only, is anticipated to be higher than the proposed fee.



### **Council Plan Implications**

15. The Audit Findings Report is an integral part of the auditing of the Statement of Accounts which are closely linked to the Council Plan, and maintaining financial resilience and effective resource planning is important to enable the council to continue to fund its priorities for the local community.

### **Carbon Emissions and Climate Change Implications**

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

### **Equality and Diversity Implications**

17. There are no equality or diversity implications

### **Privacy Impact Assessment**

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

### **Background Papers**

19. None
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