

<b>Audit Committee Meeting</b>	
<b>Meeting Date</b>	23 October 2023
<b>Report Title</b>	Annual Financial Report 2022/23 and Audit Findings Report
<b>EMT Lead</b>	Lisa Fillery, Director of Resources
<b>Head of Service</b>	Claire Stanbury Head of Finance and Procurement
<b>Lead Officer</b>	
<b>Classification</b>	Open
<b>Recommendations</b>	<p>Members are asked to:</p> <ol style="list-style-type: none"> <li>1. Note the external auditor's Audit Findings Report (Appendix I);</li> <li>2. Approve the Letter of Representation (Appendix II) on behalf of the Council;</li> <li>3. Approve the Annual Financial Report for the year ended 31 March 2023 (Appendix III) including the adjustments set out in the Audit Findings Report.</li> <li>4. Approve that the Chief Executive and Leader sign the Annual Governance Statement for the year ended 31 March 2023.</li> <li>5. Approve that the Chairman of this Committee signs and dates the Annual Financial Report for the year ended 31 March 2023.</li> </ol>

## 1. Purpose of Report and Executive Summary

- 1.1 This report seeks the Audit Committee's approval of the Council's Annual Financial Report for 2022/23 and includes the external auditor's Audit Findings Report for their consideration.

## 2. Background

### Audit Findings Report

- 2.1 Grant Thornton UK LLP has been the Council's external auditors since 1 September 2012. Their audit of the financial statements began in August 2023.
- 2.2 The Audit Findings Report highlights the key matters arising from the audit of the Council's Annual Financial Report for the year ended 31 March 2023. It is also used to report the audit findings to management and those charged with governance. Grant Thornton are required to report whether the Council's Annual Financial Report presents a true and fair view of the financial position, its expenditure and income for the year and whether they have been properly prepared. They are also required to reach a formal conclusion on whether the Council has put in place proper arrangements to secure value for money.

- 2.3 The Audit Findings Report is Appendix I. Grant Thornton will present this report to the Committee on 23 October.

#### Letter of Representation

- 2.4 The letter sets out assurances from the Council to Grant Thornton that relevant accounting standards have been complied with and gives further assurances that the Council has disclosed information where to withhold it would have undermined the accuracy and reliability of the Annual Financial Report. The letter also covers the responsibilities of the Director of Resources and those of the Council in producing the Annual Financial Report for the Council. Grant Thornton require the Audit Committee to approve the Letter of Representation before they can issue their opinion and conclusion on the Council's accounts for 2022/23.
- 2.5 The Letter of Representation is Appendix II. Grant Thornton will present this to the Committee on 23 October.

#### Annual Financial Report 2022/23

- 2.5 Appendix II is the Annual Financial Report for the year ended 31 March 2023. This version has been updated to reflect amendments recommended by Grant Thornton where agreed as included within their Audit Findings report (Appendix I).
- 2.6 This year saw the timetable for publication and approval of the Annual Accounts return to the pre pandemic schedule as the Accounts and Audit (Amendment) Regulations 2021 that extended the statutory audit deadlines for 2020/21 and 2021/22 for all local authorities expired. The draft statement of accounts had to be published by 31 May 2023 (2021/22 had to be published by 31 July 2022) and the guideline for publication date for audited accounts was 30 September 2023 (2021/22 was 30 November 2022) for all local authority bodies.
- 2.7 As advised at previous audit committees the deadline for publishing the draft accounts by 31 May 2023 was achieved, but the external audit was not able to be completed by 30 September. It is anticipated that if the accounts are approved by committee on 23 October that the audited accounts can be published by 31 October 2023.
- 2.8 As in previous years the Value for Money (VFM) audit will be carried out in the 3 months following the audit of the statement of accounts and a separate report shared with Audit Committee with the VFM findings

### **3. Proposals**

- 3.1 The Annual Financial Report for the year ended 31 March 2023 is attached as Appendix III.

3.2 The Director of Resources and the Head of Finance and Procurement would like to express their thanks to Grant Thornton for their efforts in completing the required audit work in time for reporting to this Committee. As in the past, the Director of Resources and the Head of Finance and Procurement will work with the external auditors to review the accounts and to continue to maintain and improve them in the future.

#### 4. Alternative Options

4.1 The Annual Financial Report has been prepared in accordance with statutory accounting principles. No other options have been considered as it is a legal requirement that the financial statements are prepared and signed by the person presiding at this meeting.

#### 5. Consultation Undertaken or Proposed

5.1 Consultation has taken place with Grant Thornton throughout this process.

#### 6. Implications

Issue	Implications
Corporate Plan	Good financial management is key to supporting the Corporate Plan objectives.
Financial, Resource and Property	The External Auditor's opinion is that the Council's accounting statements give a true and fair view of the financial position of the Council as at 31 March 2023 and its income and expenditure for the year then ended.
Legal, Statutory and Procurement	The production of the financial statements is a legal requirement under the 2015 Accounts and Audit regulations as amended by the Accounts and Audit (Amendment) Regulations 2021.
Crime and Disorder	No direct issues
Environment and Climate/ Ecological Emergency	No direct issues
Health and Wellbeing	No direct issues
Safeguarding of Children, Young People and Vulnerable Adults	No direct issues
Risk Management and Health and Safety	No direct issues
Equality and Diversity	No direct issues
Privacy and Data Protection	No direct issues

#### 7. Appendices

7.1 The following documents are to be published with this report and form part of the report:

7.1.1 Appendix I: Audit Findings Report

7.1.2 Appendix II: Letter of Representation

7.1.3 Appendix III: Annual Financial Report for the year ended 31 March 2023

## **8. Background Papers**

8.1 Detailed working papers are held in the Finance Department.