

# External Audit - Audit Findings Report 2021/22

**Governance and Audit Committee** 24 July 2024

<b>Report Author</b>	Chris Blundell, Director of Corporate Services - Section 151
<b>Portfolio Holder</b>	Cllr Rob Yates, Portfolio Holder for Corporate Services
<b>Key Decision</b>	No
<b>Decision classification</b>	Unrestricted
<b>Call in status</b>	No
<b>Ward:</b>	All Wards

## Purpose of the Report

The audit findings report (Annex 1) highlights the key matters arising from the audit of the Thanet District Council's financial statements for the year ended 31 March 2022. It is also used to report the audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing 260 (ISA). A representative from Grant Thornton will present their interim Audit Findings Report, which is included at Annex 1 to this report.

## Recommendation(s):

1. That the committee considers the Audit Findings for the 2021/22 Statement of Accounts and notes the report.

## 1. Summary of Reasons

- 1.1 The draft Statement of Accounts for 2021-22 has now been audited and the audit findings are set out in detail in Grant Thornton's report, shown in Annex 1.

## 2. Background

- 2.1 Subject to outstanding items being resolved, Grant Thornton intends to issue an unmodified audit opinion following the Committee meeting.
- 2.2 A number of audit adjustments have been identified and are detailed in Appendix B to the Audit Findings Report. All proposed adjustments identified during the audit have been agreed by the council.

2.3 Grant Thornton has concluded that the council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources and therefore anticipates issuing an unqualified value for money conclusion.

2.4 Grant Thornton expects to be able to certify the completion of the audit when the audit opinion is given.

### **3. Relevant Issues**

3.1 The Accounts and Audit (England) Regulations 2015 require the council (through this Committee) to approve and publish its annual statement of accounts by 31 July. Furthermore, local authorities are required to approve their draft accounts by 31st May, with draft accounts being made available for public inspection for 30 working days, inclusive of the first 10 working days of June.

3.2 As is the case with the majority of Local Government, we are playing catch up with regards to the publication and approval of financial statements.

3.3 This report and supporting documents see us making progress towards establishing a clean slate with regards to production and reporting of the main statements. Work on 2022/23 and 2023/24 is underway and anticipated to be completed by 31 March 2025.

### **4. Alternative Options**

4.1 It is a statutory requirement to produce a set of financial statements and present them to this committee for consideration.

### **5. Consultation**

5.1 There is no statutory or public law duty to consult in relation to this decision.

### **6. Corporate Implications**

#### **6.1 Finance and Resources**

6.1.1 There are no direct financial implications arising from this report.

#### **6.2 Legal and Constitutional**

6.2.1 Section 3 of the Local Audit and Accountability Act 2014 requires local authorities to prepare a statement of accounts.

Local authorities must produce their accounts in accordance with the Code of Practice on Local Authority Accounting. In England and Wales, the Code constitutes a 'proper accounting practice' under the terms of Section 21(2) of the Local Government Act 2003.

These proper practises apply to statements of accounts prepared in accordance with the statutory framework established for England by the Accounts and Audit Regulations 2015. The audit of those accounts is undertaken in accordance with the statutory framework established by Sections 3 and 20 of the Local Audit and Accountability Act 2014.

### **6.3 Council Policies and Priorities**

6.3.1 This report relates to the following corporate priorities: -

- To keep our district safe and clean
- To deliver the housing we need
- To protect our environment
- To create a thriving place
- To work efficiently for you

### **6.4 Risk**

6.4.1 This report is a backward look and the impact of Risk is covered under the wider remit of the Budget and Medium Term Financial Strategy for the Authority.

### **6.5 Climate Change and Biodiversity**

6.5.1 This report is a backward look and the impact of Climate Change and Biodiversity are covered under the wider remit of the Budget and Medium Term Financial Strategy for the Authority.

## **7. Equality, Equity and Diversity Implications**

7.1 Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

There are no direct equality implications arising from this report, however the delivery and implementation of and budgetary changes will consider this as part of the budget setting process and be reported to members in due course.

It is important to be aware of the Council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration had been given to the equalities impact that may be brought upon communities by the decisions made by Council.

## **8. Crime and Disorder Implications and Community impact**

8.1 This report is a backward look and the impact of Crime and Disorder is covered under the wider remit of the Budget and Medium Term Financial Strategy for the Authority.

## **9. Subject History**

Subject history is covered within the body of the report

## **Appendices**

Annex 1 - Audit Findings Report 2021/22

## **Background Papers**

- N/A

**Report Author(s) Contact:** Chris Blundell (Director of Corporate Services - Section 151)

### **Report Sign Off**

**Legal** N/A

**Finance** N/A