

# External Audit Update

Report of the Head of Finance & Revenues

## Recommendation:

**That Ernst & Young's Annual Audit Results Report, as shown in the Annex to the report, be noted.**

### SUMMARY:

- Following the completion of the 2021/22 statement of accounts, Ernst & Young (the Council's appointed external auditor) present their Auditor's Annual Report for the committee's attention.
- A verbal report on the plans for the audit of the 2022/23 statement of accounts will be given by Ernst & Young at the meeting.

## 1 Introduction

- 1.1 The Council is required to produce and approve an Annual Statement of Accounts for each financial year.
- 1.2 Reports on the progress of the audit have been presented to previous Audit Committee meetings.
- 1.3 At its meeting on 27 March 2023, the Audit Committee gave delegated authority to the Chairman and Head of Finance & Revenues to approve the final audited statement of accounts for 2022/23.
- 1.4 The audit work was completed on 25 July and the accounts duly authorised for issue.

## 2 Ernst & Young's Annual Audit Results Report

- 2.1 Pursuant to the completion of the audit, Ernst & Young have prepared their annual Audit Results Report for consideration by the Audit Committee.
- 2.2 This contains one recommendation related to the way that Internal Audit updates are presented to the Audit Committee; particularly with reference to an annual report from the Internal Audit Manager. The agreed action has already been implemented.
- 2.3 Ernst & Young will introduce their report at the meeting and take any questions from committee members.

### **3 Audit of 2022/23 Statement of Accounts**

- 3.1 The completion of the 2021/22 statement of accounts enabled confirmation of the opening balances to be brought forward into the 2022/23 statement of accounts.
- 3.2 The draft 2022/23 statement of accounts was published on 28<sup>th</sup> July 2023.
- 3.3 Councillors will be aware of a national backlog in the completion of public sector audits. This, together with a lack of clarity on the deadlines and reporting requirements for future audits, means that there is not yet a detailed plan for undertaking and completing the audit of those accounts.
- 3.4 Ernst & Young will provide a verbal update to the meeting on how their plans to manage this are developing.
- 3.5 Members should be aware that the statutory deadline of 30<sup>th</sup> September for the publication of the statement will be missed. This will be the case for the vast majority of local authorities and there is no sanction for not meeting this deadline.

### **4 Risk Management**

- 4.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the issues covered do not represent significant risks.

### **5 Conclusion and reasons for recommendation**

- 5.1 The audit of the 2021/22 statement of accounts has been concluded since the last meeting of the Audit Committee.
- 5.2 Part of the external auditor's role is to report directly to those charged with governance in a local authority. This report is attached in the annex and will be introduced directly by the auditors.

Background Papers (Local Government Act 1972 Section 100D)

[Test Valley Borough Council – Statement of Accounts 2021/22](#)

#### Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:

1

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File Ref:

N/A

Report to:

Audit Committee

Date:

25 September 2023