

## **AUDIT AND GOVERNANCE COMMITTEE 2 OCTOBER 2020**

### **STATUTORY ACCOUNTS AND PENSION FUND 2019/20 – EXTERNAL AUDIT FINDINGS REPORT**

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#### **Recommendation**

- 1. The Chief Finance Officer recommends that the Committee consider its response to the Grant Thornton Audit Findings Report for the Worcestershire County Council Statutory Accounts 2019/20 and Worcestershire County Council Pension Fund Accounts 2019/20.**

#### **Background**

2. In response to an unprecedented situation relating to the COVID-19 pandemic and the need to reduce the immediate resources pressure on councils and auditors to meet statutory audit deadlines, the Accounts and Audit Regulations 2015 have been amended to allow the publication of the Statement of Accounts and public inspection of the accounts to be delayed.
3. Accordingly, a Progress Report prepared by the Council's external auditor, Grant Thornton, was provided to the last Committee in July 2020 on progress made and any issues arising from the external audit of the Council's and Pension Fund's financial statements.
4. Since then, the audit process has continued, and the Council has now received Audit Findings Reports for both audits and these are included as appendices for member review. It is noted that we will be one of the first County Councils to have produced and have audited accounts available for this year.

#### **Key issues arising - Worcestershire County Council Statutory Accounts 2019/20**

5. The key issues are given in the draft of the Grant Thornton report and are summarised below:
  - Grant Thornton anticipates issuing an unqualified audit opinion, subject to outstanding queries being resolved
  - The audit identified a number of misclassification and disclosure changes. All material changes have been adjusted
  - The audit did not identify any events or conditions which may cast significant doubt on the going concern assumption

- The audit opinion for the County Council includes an ‘Emphasis of Matter’ comment with regard to the potential effects of COVID-19 on the valuation of Land and Building Assets. This refers the user of the accounts to Note 15.10 where the Council’s Valuer has followed RICS guidance and acknowledged that there may be a material uncertainty on the valuation work undertaken this year. This is standard guidance and is expected to be the case across all local government audits
- There remain a small number of non-material changes which have not been adjusted in the accounts and these are recommended by Grant Thornton as future improvements which are accepted

## **Contact Points**

### Specific Contact Points for this report

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## **Supporting Information**

- Appendix 1: Grant Thornton Audit Findings Worcestershire County Council
- Appendix 2: Grant Thornton Audit Findings Worcestershire County Council Pension Fund

## **Background Papers**

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.