

AUDIT AND GOVERNANCE COMMITTEE

1 DECEMBER 2023

EXTERNAL AUDIT FINDINGS REPORT 2023/23 (INCLUDING PENSION FUND)

Recommendation

- 1. The Chief Financial Officer recommends that:**
 - a) The Audit Findings Reports 2022/23 for Worcestershire County Council as set out in Appendix 1 and Worcestershire Pension Fund as set out in Appendix 2 be noted;**
 - b) The Committee considers whether it wishes to receive any further reports on information contained in the Report; and**
 - c) The Committee considers whether there are any issues arising from the Report to draw to the attention of the Council.**

Summary

- 2. The external audit findings reports are set out in Appendices 1 and 2 (Appendix 1 is to follow). The report has been prepared by the council's external auditor, Grant Thornton, and summarises the key findings and other matters arising from the statutory audit and the preparation of the financial statements for the year ended 31 March 2023 for the attention of those charged with governance for Worcestershire County Council and Worcestershire Pension Fund.**
- 3. Under International Standards on Auditing (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), the external auditor is required to report whether, in their opinion, the group and council's financial statements:**
 - a) Give a true and fair view of the financial position of the group and council and the group and council's income and expenditure for the year; and**
 - b) Have been properly prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.**
- 4. External audit is also required to report on whether the information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report) is materially inconsistent with the financial statements or knowledge obtained through the audit or otherwise appears to be misstated.**

5. The Audit Findings Report highlights the national audit backlog and the resulting impact of significant delays in the completion of audit work and the issuing of audit opinions across the local government sector and the risk of increased borrowing by local authorities.
6. The statutory deadline for publication of 2022/23 Local Authority Audited Accounts is 30 September 2023. As previously noted by Committee, this deadline was not achievable for Worcestershire due to resourcing issues across the external audit sector. The national backlog has resulted in just 1% of Councils in England meeting the deadline for 2022/23.
7. The key issues arising are summarised below:
 - c) The audit work to date has not identified any material errors or adjustments to the financial statements and Grant Thornton expect to issue an unqualified audit opinion following the meeting of this committee on 1 December 2023;
 - d) Grant Thornton have concluded that the other information to be published with the financial statements is consistent with their knowledge of the organisation and the financial statements they have audited;
 - e) A small number of disclosure and presentation adjustments have been recommended and these represent a significant reduction in the adjustments and small errors noted in previous years, providing Audit and Governance Committee with assurance over the arrangements in place to provide complete, accurate and timely financial statements; and
 - f) As part of audit testing, the appropriateness of the council's accounting policies, accounting estimates and financial statement disclosures have been evaluated; no omissions or errors have been noted.
8. A representative from Grant Thornton will attend the meeting to discuss the Audit Findings Reports for Committee consideration.

Contact Points

Specific Contact Points for this report

Phil Rook, Chief Finance Officer, 01905 846300, prook@worcestershire.gov.uk

Chris Bird, Chief Accountant, 01905 846994, cbird1@worcestershire.gov.uk

Supporting Information

- **Appendix 1-** The 2022/23 Annual Findings Report for Worcestershire County Council – **To follow**
- **Appendix 2** – The 2022/23 Audit Findings Report for Worcestershire 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.