

Wiltshire Council

Audit and Governance Committee

25 July 2023

Subject: Accounts and Audit Update report

Executive Summary

This report is an update on the Accounts and Audit position from the External Auditor and subsequent management response to issues raised in that report.

The External Auditor produced a report in April 2023 that was received too late for circulation ahead of the last meeting and subsequently circulated to members of the committee. The External Auditor has requested that their update report is now included on the agenda at this committee. To ensure full transparency of reporting to the public and independent external audit access to the committee the External Auditors report is provided alongside a management response to the issues raised within the auditor's report.

Proposal(s)

It is recommended that the Audit & Governance Committee note the update on the Accounts and Audit position for the outstanding accounts.

Reason for Proposal(s)

The responsible financial officer is required to approve and publish the Statement of Accounts for the Council by the deadlines set out in regulation, or as soon as reasonably practicable after the receipt of the auditor's final findings. The statutory deadline for the 2019/20 Statement of Accounts approval was 30 November 2020. It is therefore important that the Audit & Governance Committee receive updates on the progress of this work and the approval, as these are significant overdue.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

Wiltshire Council

Audit and Governance Committee

25 July 2023

Subject: Accounts and Audit Update report

Purpose of Report

1. This report presents an update on the Accounts and Audit position from the External Auditor and a management response to issues raised in that report to be fully considered by those charged with governance before the accounts are produced.

Relevance to the Council's Business Plan

2. The responsible financial officer, the council's Section 151 Officer, is required to approve and publish the Statement of Accounts for the council by the deadlines set out in regulation, or as soon as reasonably practicable after the receipt of the auditor's final findings. Providing updates to those charged with governance as significant delays exist to achieving this publication is an important element of transparent public reporting.

Background

3. The statutory deadline for the 2019/20 Statement of Accounts approval was 30 November 2020.
4. The Audit & Governance committee have had several formal update reports presented to them at previous meetings and been kept up to date with frequent reporting through Chairman's announcements on the issues associated with the delay to the finalisation of the Statement of Accounts for 2019/20.

Main Considerations for the Council

5. The External Auditor produced a report in April 2023 that was received too late to be included for its meeting in April 2023 and was subsequently circulated to committee members. The external auditor has requested that their update report now be included on the agenda for this meeting of the committee. To ensure full transparency of reporting to the public and independent external audit access to the committee the External Auditors report is provided alongside a management response to the issues raised within the auditor's report.
6. The External Auditors update report is attached as Appendix A and the council's response to Deloitte update report May 2023 is attached as Appendix B.

Overview and Scrutiny Engagement

7. No overview and scrutiny engagement has taken place due to the statutory nature of the Statement of Accounts and Audit process. Those charged with governance are responsible for the review and approval of all matters concerning the annual accounts.

Safeguarding Implications

8. There are no safeguarding implications associated with this report.

Public Health Implications

9. There are no public health implications associated with this report.

Procurement Implications

10. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

11. There are no equalities impacts arising from this report.

Environmental and Climate Change Considerations

12. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

13. The annual accounts are required to be approved and published by the deadlines set out in regulation or as soon as reasonably practicable after the receipt of the auditor's final findings reports. The accounts and audit process remaining outstanding means that the ability to progress the accounts and audit process for 2020/21 is limited and results in further delay to this process and all subsequent accounts. The statutory deadline for completion of the 2019/20 accounts was 30 November 2020 and the deadline for the completion of the draft accounts for 2020/21 was 31 July 2021 and of the draft accounts for 2021/22 accounts was 31 July 2022 and of the draft accounts for 2022/23 was 31 May 2023. There is now a significant amount of work outstanding as a result of the continued delay.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

14. Council officers continue to work with the External Auditors to bring the Accounts and Audit process for 2019/20 to conclusion. The extended time to complete the audit will result in additional audit fees being incurred, alongside the continued cost of resourcing the on-going work. The audit is a statutory function and accounts must be prepared in accordance with regulation to represent a true and fair view of the financial position of the council.

Financial Implications

15. The continuing external audit process exposes the council to on-going costs associated with the use of specialist, experienced agency staff to manage the continuing audit queries and process and additional audit fees as a result of the continuing audit and will continue to incur additional costs and liabilities until the audit concludes.
16. There are no direct financial implications as a result of the non publication or late signing off of the Councils accounts.

Legal Implications

17. Regulation sets out the publication requirements for Local Authority Accounts and the council is unable to meet these requirements due to the on-going audit process. Notices are published on the council's website giving detail of the late publication for the 2019/20 accounts and all subsequent accounts.

Workforce Implications

18. Additional in house and external resource has been and continues to be committed to the work to correcting the errors and misstatements and the 2019/20 Accounts and ensure that the final accounts and audit process can be concluded. This work has been ongoing for in excess of two and a half years.

Options Considered

19. It is important that the outstanding accounts and audit process for 2019/20 is drawn to conclusion as soon as possible. The accounts are now out of date and therefore less relevant for any reader and continuing to allocate resources and incur audit cost is not sensible or value for money. This update report gives an indication that there are options for drawing the process to conclusion and are being considered.

Conclusions

20. It is recommended that Audit and Governance Committee note the contents of this report and its appendices.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

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17/07/2023

Appendices

Appendix A – Wiltshire Council Update Report April 2023 from Deloitte
Appendix B – Response to Deloitte update report May 2023

Background Papers

The following documents have been relied on in the preparation of this report:

10 Feb 2021 – [Agenda for Audit and Governance Committee on Wednesday 10 February 2021, 10.00 am | Wiltshire Council](#) – Agenda Item 6

28 April 2021 – [Agenda for Audit and Governance Committee on Wednesday 28 April 2021, 10.00 am | Wiltshire Council](#) – Agenda Item 12

11 Oct 2021 – [Agenda for Audit and Governance Committee on Monday 11 October 2021, 3.00 pm | Wiltshire Council](#) – Agenda Item 8

24 Nov 2021 – [Agenda for Audit and Governance Committee on Wednesday 24 November 2021, 10.00 am | Wiltshire Council](#) – Agenda Item 6

1 March 2022 – [Agenda for Audit and Governance Committee on Tuesday 1 March 2022, 10.30 am | Wiltshire Council](#) – Agenda Item 7

27 Apr 2022 - [Agenda for Audit and Governance Committee on Wednesday 27 April 2022, 10.00 am | Wiltshire Council](#) – Chairman’s Announcements

23 Nov 2022 - [Agenda for Audit and Governance Committee on Wednesday 23 November 2022, 10.00 am | Wiltshire Council](#) – Chairman’s Announcements

26 April 2023 - [Agenda for Audit and Governance Committee on Wednesday 26 April 2023, 10.30 am | Wiltshire Council](#) – Chairman’s Announcement