

Somerset West and Taunton Council

Audit and Governance Committee – 13 March 2023

External Audit Progress Report and Sector Update

This matter is the responsibility of the Portfolio Holder for Communications and Corporate Resources, Cllr Benet Allen

Report Author: John Dyson, Corporate Finance Manager

1 Executive Summary

- 1.1 The attached report provides the Audit and Governance Committee with a progress update regarding the work of the external auditors, Grant Thornton, together with information relating to emerging issues which may be relevant to the Council.

2 Recommendations

- 2.1 Members are requested to consider and note the Progress Report and Sector Update received from Grant Thornton.

3 Background and Full details of the Report

- 3.1 The Council's external audit function is undertaken by Grant Thornton. The external auditors, as part of their work, provide regular progress updates to Members via the Audit and Governance Committee together with updates in relation to emerging national issues which may be of relevance to the Council on the approach to preparing the annual Statement of Accounts.
- 3.2 The update report is set out in the Appendix.

4 Links to Corporate Aims / Priorities

- 4.1 This report links to the Council's aim of achieving financial sustainability and also relates to statutory requirements for financial reporting and audit arrangements.

5 Finance / Resource Implications

- 5.1 There are no direct material implications related to this report. However, it sets the scene in advance of the process of the Council closing the final accounts for the year ending 31 March 2023 and in advance of external audit reviews of the Statement of Accounts, Value for Money and Whole of Government Accounts for 2022/23.
- 5.2 This is all set in the context of Local Government Reorganisation whereby the new unitary Somerset Council will commence on 1 April 2023.
- 5.3 It remains clear that the scope and complexity of audit work has increased. As a consequence of both this and of the audit firms struggling to attract and retain suitably qualified audit staff, future audit fees are projected to rise, placing adverse cost variations on the revenue account in 2023/24 onwards.

6 Legal Implications

- 6.1 The Local Audit and Accountability Act 2014 sets out the framework for audit of local authorities.

Appendix:

Somerset West and Taunton Audit Progress Report and Sector Update, March 2023

Democratic Path:

- Audit and Governance Committee – 13 March 2023

Reporting Frequency: Ad hoc

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