

Somerset West and Taunton Council

Audit and Governance Committee – 26 July 2021

External Auditor Risk Assessment 2020/21 – ISA240 Inquiries of Management

This matter is the responsibility of Executive Councillor Ross Henley, Corporate Resources

Report Author: Paul Fitzgerald, Assistant Director – Finance and S151 Officer

1 Executive Summary / Purpose of the Report

1.1 Grant Thornton LLP is the Council's appointed auditor responsible for the audit of the accounts for the periods 2019/20 through to 2022/23. As part of their preparation for the 2020/21 audit, Grant Thornton has followed its risk assessment procedures to obtain an understanding of management processes in a number of areas. This report shares the information provided by the Council's management to help inform this risk assessment.

2 Recommendations

2.1 The Committee notes the information provided to Grant Thornton LLP to inform their risk assessment for the 2020/21 audit, and considers whether the responses are consistent with its understanding and whether there are any further comments it wishes to make.

3 Risk Assessment

3.1 This report informs the risk assessment undertaken by Grant Thornton LLP in preparation for the audit of the Council's 2020/21 annual accounts.

4 Background and Full details of the Report

4.1 Grant Thornton LLP is the Council's appointed auditor responsible for the audit of the accounts for the periods 2019/20 through to 2022/23.

4.2 As part of their preparation for the 2020/21 audit, Grant Thornton LLP has followed its risk assessment procedures to obtain an understanding of management processes and the Council's oversight of the following areas:

- General Enquiries of Management
- Fraud
- Laws and Regulations
- Related Parties
- Accounting Estimates

- 4.3 This report shares the information provided by the Council’s management to help inform this risk assessment.
- 4.4 The Committee is requested to review the information provided and consider whether this is consistent with its understanding. The Committee may also consider whether there are any other comments it wishes to make to inform the risk assessment undertaken by Grant Thornton LLP.

5 Links to Corporate Strategy

- 5.1 This relates to the Council’s financial reporting and audit statutory duties and is not directly related to the Corporate Strategy.

6 Finance / Resource Implications

- 6.1 None.

7 Legal Implications

- 7.1 The audit is conducted in line with the requirements of the Local Audit and Accountability Act 2014.

Democratic Path:

- **Audit and Governance Committee – 26 July 2021**

Reporting Frequency: Annual

List of Appendices:

- **Grant Thornton – Informing the audit risk assessment for Somerset West and Taunton Council 2020/21**

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