



Audit & Risk Committee

External Audit Update

Date: 06 December 2023

Key decision: No

Class: Part 1

Ward(s) affected: All

Contributors: Terence Madgett, Chief Accountant

Outline and recommendations

The purpose of this report is to:

- Update the Committee on the progress of the 2022/23 External Audit of the Statement of Accounts

The committee are recommended to

- Note the contents of the report.
- Note the Audit Findings Reports 2022/23 and addendums from Grant Thornton following the external audit of the Council's Statement of Accounts and Pension Fund Accounts.
- Note the Auditor's Annual Report 2022/23 from Grant Thornton

1. Summary

- 1.1 The purpose of this report is update the Committee on the progress of the 2022/23 External Audit of the Statement of Accounts.

2. Recommendations

- 2.1 The Audit & Risk Committee are recommended to note the contents of the report.

3. Policy Context

- 3.1 The report is consistent with the Council's policy framework, supporting the priorities set out in the Corporate Strategy 2022-26. It contributes towards all Council priorities through effective management of finance.

4. Background

- 4.1 The draft 2022/23 Statement of Accounts were published on the Council's website at the beginning of July and the External Audit began shortly after.
- 4.2 The audit is scheduled to take place between July and November 2023, with the publication of the final audited accounts by 30 November 2023.
- 4.3 The draft accounts, AFRs and addendums were presented to Council on 22 November 2023 with the recommendation that "delegation to the Section 151 Officer, in consultation with the Chair of the Audit & Risk Committee, to agree any changes to the agreed audit adjustments and the final Statement of Accounts for publication, alongside the Auditor's Annual Report" be agreed. This was agreed.

5. 2022/23 Audit of Accounts Update

- 5.1 At the time of writing this report (27-Nov-23) Grant Thornton have almost concluded all areas of the audit.
- 5.2 The next step is to finalise the couple of outstanding queries and then to include all of the agreed amendments that are included in the AFRs and Addendums, included as appendices to this report, into the draft accounts.
- 5.3 It is still hoped that these amendments can be made and agreed in time for the 30 November date for publication to be achieved, officers will verbally update on this at the meeting.

6. 2022/23 Audit Findings Reports

- 6.1 Grant Thornton, the external auditors for London Borough of Lewisham Council and Pension Fund will present the the 2022/23 Audit Findings reports and addendums for the Council and Pension Fund Audits.
- 6.2 Audit & Risk Committee have considered the Audit Findings reports at the meeting of 01 November 2023. The addendums, which detail the progress made since and were agreed through delegation, are presented to the Committee for the first time.
- 6.3 The Audit Findings Reports for London Borough of Lewisham and Lewisham Pension Fund for the year ended 31 March 2023 and addendums, list the agreed audit adjustments to be made to the draft Accounts before publication of the final audited versions. This includes adjustments in relation to Assets under Construction, Pension Fund assets and the annual leave accrual. There are also amendments to be made on the narrative elements of the accounts.
- 6.4 The Audit Findings Reports for 2022/23 and addendums also include action plans.

These consist of three recommendations for the Council as a result of issues identified during the course of the 2022/23 audit, two of which relate to related parties disclosures by members. These are accepted by management and so will be added to the action tracker for progress with their implementation to be reported on as part of the Audit & Risk Committee standing agenda item.

- 6.5 The Council's reports are included within Appendices A&B and the Pension fund reports are included within Appendices C&D

7. Auditor's Annual Report 2022/23

- 7.1 The Annual Report for 2022/23 covers the Value for Money (VFM) work required as part of the overall audit which was conducted by the auditors alongside completion of the Council's Statement of Accounts, Pension Fund Accounts and Annual Governance Statement audit. This is included in Appendix E.

- 7.2 The Annual Report for 2022/23 also includes an action plan. This consists of several recommendations for the Council following their review of the Council's arrangements for securing economy, efficiency, and effectiveness. These are still being reviewed by management. Once feedback has been provided and the action plan is accepted, the recommendations will be added to the action tracker for progress with their implementation to be reported on as part of the Audit & Risk Committee standing agenda item.

8. Financial implications

- 8.1 There are none arising direct from this report.

9. Legal implications

- 9.1 There are none arising direct from this report.

10. Equalities implications

- 10.1 There are none arising direct from this report.

11. Climate change and environmental implications

- 11.1 There are none arising direct from this report.

12. Crime and disorder implications

- 12.1 There are none arising direct from this report.

13. Health and wellbeing implications

- 13.1 There are none arising direct from this report.

14. Background papers

- 14.1 All relevant background papers are included as appendices or hyperlinks within.

15. Report author(s) and contact

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16. Appendices

- 16.1 Appendix A: Audit Findings Report 2022/23
- 16.2 Appendix B: Audit Findings Report Addendum 2022/23
- 16.3 Appendix C: Audit Findings Report for the Pension Fund 2022/23
- 16.4 Appendix D: Audit Findings Report Addendum for the Pension Fund 2022/23
- 16.5 Appendix E: Auditor's Annual Report on London Borough of Lewisham Council
2022/23