



Audit Panel

Report title: Statement of Accounts 2021/22 & External Audit Update

Date: 21 June 2022

Key decision: No.

Class: Part 1

Ward(s) affected: All

Contributors: Executive Director of Corporate Resources

Outline and recommendations

The purpose of this report is to:

- Provide an update to the members of the Audit Panel on the preparations for the 2021/22 closing of accounts and statutory external audit processes.
- Provide an update on the recommendations to the Action Plan 2020/21
- Note the updated responses to the audit risk assessment for 2021/22
 - Note Grant Thornton's 2021/22 Audit Plan

1. Summary

- 1.1. The purpose of this report is to provide an update to the members of the Audit Panel on the preparations for the 2021/22 closing of accounts and statutory external audit processes.
- 1.2. The report also provides members with the management action responses to the auditor recommendations made as part of the 2020/21 external audit.
- 1.3. The report considers the key risks for the 2021/22 accounts and asks the Audit Panel to note these following comments made in March Panel.
- 1.4. Finally, the report includes the 2021/22 Audit Plan produced by Grant Thornton.

2. Recommendations

- 2.1. The Audit Panel is recommended to note the contents of the report.

3. Policy Context

- 3.1. The information set out in the financial accounts is consistent with the delivery of the Council's corporate priorities (contained within the Corporate Strategy 2018-22) and is particularly relevant to the Council's strong and resilient framework for prioritising action which has assisted the organisation in the face of austerity and ongoing cuts to local government spending.

4. 2021/22 Statement of Accounts Update

- 4.1. The Department for Levelling Up, Housing and Communities published on 16 December 2021, measures to support the timely completion of local government audits. This included extending the deadline for preparing draft accounts to 31 July 2022 and publishing audited accounts to 30 November 2022 for 2021/22 accounts.
- 4.2. Lewisham Council are working to prepare draft accounts by 30 June 2022 and publishing audited accounts by 30 November 2022.
- 4.3. The Council's outturn position has been finalised. Work is ongoing to update the Statement of Accounts Word document for publication by 30 June 2022. Once handed over for audit, these draft accounts will also be published on the Council's website and the statutory public inspection period opened during July and August.
- 4.4. The interim audit took place in March 2022. Grant Thornton's online portal, Inflo was used to supply data efficiently and securely. Sampling was undertaken for income and expenditure for the period April to January 2022 as well as deliverables for banking, borrowing, investments and general processes. There are minimal queries outstanding which will be picked up as part of the final audit in July 2022.
- 4.5. The final audit is scheduled to take place between July and November 2022, with publication of the final accounts by 30 November 2022.

5. 2020/21 Audit Findings Report

- 5.1. The Audit Findings Report for London Borough of Lewisham and Lewisham Pension Fund for the year ended 31 March 2021, included an action plan. This consisted of a number of recommendations for the Council as a result of issues identified during the course of the 2020/21 audit.
- 5.2. Progress on these recommendations is included within Appendix A.

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6. 2021/22 Audit Risk Assessment

- 6.1. Grant Thornton produced a report; Informing the audit risk assessment for London Borough of Lewisham and Pension Fund 2021/22, to contribute towards the effective two-way communication between the external auditors and the Audit Panel. As part of their risk assessment procedures, they were required to obtain an understanding of management processes and Council oversight in a number of key areas.
- 6.2. The Council has completed its contributions to the template as part of this process. The Audit Panel considered these draft responses on 15 March 2022 and provided comments. These have now been reflected in the updated version which is available to note.
- 6.3. The report is included within Appendix B.

7. 2021/22 Audit Plan

- 7.1. Grant Thornton, the external auditors for London Borough of Lewisham Council and Pension Fund will present the 2021/22 Audit Plan.
- 7.2. This includes key matters for Lewisham Council which Grant Thornton will primarily follow up within the 2021/22 Value For Money Work. Details on materiality, significant risks, accounting estimates, logistics and fees is also provided. The proposed timetable is shared which refers to production of the Audit Plan, Audit Findings Report, Audit Opinion and Auditor's Annual Report.
- 7.3. The report is included within Appendix C.

8. Financial implications

- 8.1. There are no financial implications directly arising from this report.

9. Legal implications

- 9.1. There are no legal implications directly arising from this report.

10. Equalities implications

- 10.1. There are no equalities implications directly arising from this report.

11. Climate change and environmental implications

- 11.1. There are no climate change and environmental implications directly arising from this report.

12. Crime and disorder implications

- 12.1. There are no crime and disorder implications directly arising from this report.

13. Health and wellbeing implications

- 13.1. There are no health and wellbeing implications directly arising from this report.

14. Report authors and contact

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15. Appendices

- 15.1. Appendix A – Action Plan Recommendations - Audit Findings Report for London Borough of Lewisham and Lewisham Pension Fund for the year ended 31 March 2021
- 15.2. Appendix B - Informing the audit risk assessment for London Borough of Lewisham and Pension Fund 2021/22
- 15.3. Appendix C – London Borough of Lewisham and London Borough of Lewisham Pension Fund Audit Plan for the year ending 31 March 2022

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