



## Audit & Risk Committee

### **Report title: Statement of Accounts 2022/23 & External Audit Update**

**Date:** 22 June 2023

**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 2022/23 closing of accounts and statutory external audit processes.
- Provide an update on the recommendations to the Action Plan 2021/22
- Note the updated responses to the audit risk assessment for 2022/23
  - Note Grant Thornton's 2022/23 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 2022/23 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 2021/22 external audit.
- 1.3. The report considers the key risks for the 2022/23 accounts and asks the Audit Panel to consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.
- 1.4. Finally, the report includes the 2022/23 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 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 2021/22 audit of the Statement of Accounts is awaiting final review and certification by Grant Thornton for both the Council and Pension Fund. The Value for Money element of this has been finalised. The anticipated audit opinion is that the accounts give a true and fair view of the financial position of the group, Authority and Pension Fund during 2021/22 and have been properly prepared.

## **5. 2022/23 Statement of Accounts Update**

- 5.1. Lewisham Council are working to prepare draft accounts by 30 June 2023 and publishing audited accounts by 30 November 2023.
- 5.2. 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.
- 5.3. The interim audit took place in March 2023. Grant Thornton's online portal, Inflo was used to supply data efficiently and securely. Process walkthroughs have taken place and samples have been provided, which will be responded to in due course.
- 5.4. The final audit is scheduled to take place between July and November 2023, with publication of the final accounts by 30 November 2022.

## **6. 2021/22 Audit Findings Report Annual Report Recommendations**

- 6.1. The Audit Findings Report for London Borough of Lewisham and Lewisham Pension Fund for the year ended 31 March 2022, 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 2021/22 audit.
- 6.2. Progress on these recommendations is included within Appendix A.
- 6.3. The Auditor's Annual Report (VFM) for the year ended 31 March 2022, includes an

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action plan. This consisted of a number of recommendations for the Council following their review of the Council's arrangements for securing economy, efficiency and effectiveness. The report also included a follow up of prior year recommendations.

6.4. Progress on these recommendations is included within Appendices B and C.

## **7. 2022/23 Audit Risk Assessment**

7.1. Grant Thornton produce a report; Informing the audit risk assessment for London Borough of Lewisham and Pension Fund 2022/23, to contribute towards the effective two-way communication between the external auditors and the Audit Panel. As part of their risk assessment procedures, they are required to obtain an understanding of management processes and Council oversight in a number of key areas.

7.2. The report is included within Appendix D.

7.3. The Audit Panel should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

## **8. 2022/23 Audit Plan**

8.1. Grant Thornton, the external auditors for London Borough of Lewisham Council and Pension Fund will present the 2022/23 Audit Plan.

8.2. This includes key matters for Lewisham Council which Grant Thornton will primarily follow up within the 2022/23 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.

8.3. The report is included within Appendix E.

## **9. Financial implications**

9.1. There are no financial implications directly arising from this report.

## **10. Legal implications**

10.1. There are no legal implications directly arising from this report.

## **11. Equalities implications**

11.1. There are no equalities implications directly arising from this report.

## **12. Climate change and environmental implications**

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

## **13. Crime and disorder implications**

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

## **14. Health and wellbeing implications**

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

## **15. Report authors and contact**

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## **16. Appendices**

- 16.1. Appendix A – Draft Audit Findings Report 2021/22 Action Plan Recommendations
- 16.2. Appendix B - Auditor's Annual Report (VfM) Recommendations 2021/22
- 16.3. Appendix C - Auditor's Annual Report (VfM) Recommendations 2020/21
- 16.4. Appendix D - Informing the audit risk assessment for London Borough of Lewisham and Pension Fund 2022/23
- 16.5. Appendix E – London Borough of Lewisham Audit Plan for the year ending 31 March 2023
- 16.6. Appendix F – London Borough of Lewisham Pension Fund Audit Plan for the year ending 31 March 2023

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