



## Audit Panel

### **Report title: Audit Progress Report and Sector Update**

**Date:** 11 February 2021

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Executive Director for Corporate Resources

### **Outline and recommendations**

The purpose of this report is to provide an update to members of the Audit Panel on the preparations for the 2020/21 closing of accounts and statutory external audit processes.

Members of the Audit Panel are asked to note the contents on the report.

## **1 Summary**

- 1.1 This report provides an update to members of the Audit Panel on the preparations for the 2020/21 closing of accounts and statutory external audit processes.

## **2 Recommendation**

- 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 2020/21 External Audit**

- 4.1 The external auditors Grant Thornton are due to commence the interim audit towards the end of February 2021. The areas which are being covered as part of this interim process include: updated review of the Council's control environment; updating their understanding of financial systems; review of Internal Audit reports on core financial systems; early work on emerging accounting issues; and early substantive testing.
- 4.2 The table on page 5 of the report sets out the planned dates with regards to the interim audit testing.

## **5 Closing of Accounts**

- 5.1 The 2020/21 Closing of Accounts timetable, guidance notes and reporting deadlines are currently being reviewed to be updated and communicated to all officers concerned, in order to achieve a successful and timely closedown.

## **6 2020/21 Statement of Accounts**

- 6.1 The Statement of Accounts is prepared in accordance with the CIPFA Code of Practice on Local Authority Accounts, as agreed by the Ministry of Housing, Communities and Local Government. Thereby, under the Accounts and Audit Regulations 2015, the pre-audit Statement of Accounts is required to be completed and submitted for external audit by no later than 31<sup>st</sup> May 2021, and the audited Statement of Accounts is required to be completed and approved by full Council by 31<sup>st</sup> July 2021.
- 6.2 However, given the very real practical challenges of meeting the audit deadline of 31<sup>st</sup> July, it is anticipated that the audit fieldwork will be completed by this date, but the actual approval of the audited Accounts will not be obtained until full Council in September. Audit Panel will be updated of the position in July and will receive the audited Accounts in September, before approval by Council.

## **7 Sector Update**

- 7.1 The report also provides members of the Audit Panel with an update on the sector. It provides an up to date summary of emerging national issues and developments to support the Council. It covers areas which may have an impact on the local authority, the wider local government sector and the public sector as a whole. These updates start from page 6 of the report.

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## **8 Implications**

- 8.1 There are no financial, legal, crime and disorder, equalities or environmental implications directly arising from this report.

## **9 Conclusions**

- 9.1 The report confirms that plans and procedures are in place to enable a timely and accurate audited Statement of Accounts to be produced at year-end.

### **Report author and contact**

Selwyn Thompson, Director of Financial Services –  
[Selwyn.Thompson@lewisham.gov.uk](mailto:Selwyn.Thompson@lewisham.gov.uk) 020 8314 6932

Paul Calnan, Acting GFM – Core Accounting –  
[Paul.Calnan@lewisham.gov.uk](mailto:Paul.Calnan@lewisham.gov.uk) 020 8314 6167

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>