

Grant Thornton Audit Plan 2022/23

Date: 24th June 2024

Report of: the Chief Finance Officer

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report presents Grant Thornton's Annual Audit Plan for their 2022/23 audit, covering the audit of the Council's accounts and the process for assessing its arrangements to secure value for money in the use of resources. The Audit Plan is attached as Appendix 1.

The Audit Plan outlines Grant Thornton's proposed audit approach, the timing of audit work, and the significant audit risks identified to date.

Recommendations

- a) Members are asked to receive the Annual Audit Plan presented by Grant Thornton and to note and agree the nature and scope of the proposed audit work.

What is this report about?

- 1 This report presents Grant Thornton's Annual Audit Plan for their 2022/23 audit, covering the audit of the Council's accounts and the process for assessing its arrangements to secure value for money in the use of resources. The Audit Plan is attached as Appendix 1.
- 2 The Audit Plan outlines Grant Thornton's proposed audit approach, the timing of audit work, and the significant audit risks identified to date.
- 3 The Audit Plan refers in its section 5 to progress against prior year audit recommendations in the following areas :-
 - a) Valuation of land and buildings
 - b) Working papers
 - c) Asset Classification

Against each of these areas officers have provided a management response

What impact will this proposal have?

- 4 The report outlines Grant Thornton's proposed approach to their 2022/23 audit, including the risks identified to date.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 5 The report relates to the council's underlying financial governance arrangements rather than to any specific aspect of service delivery.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 6 The Annual Audit Plan does not raise any issues requiring consultation or engagement with the public or ward members.
- 7 However, Grant Thornton have requested that the Council's responses to their Audit Risk Assessment document are reviewed by the Committee.

What are the resource implications?

- 8 Grant Thornton's Audit Plan outlines their audit approach to assess whether the Council has in place proper arrangements for securing value for money, and notes that their findings on value for money for 2022/23 were reported to the November 2023 meeting of the Committee.

What are the key risks and how are they being managed?

- 9 Grant Thornton's report sets out any key risks identified as part of the audit planning process to the preparation of the financial statements and to the council's financial standing :
 - 9.1 In relation to their audit of the council's statement of accounts, Grant Thornton have identified two areas where there is a significant risk of material misstatement due to the scale of the assets and liabilities involved – the valuation of land and buildings including council dwellings, and the valuation of the net pension fund balance. Their audit plan also explains that under auditing standards, the potential for management override of controls is

a non-rebuttable presumption which auditors are required to take into account as a risk when planning their audit work.

9.2 In relation to their audit of the council's arrangements for securing value for money, Grant Thornton identified two potential risks of significant weakness, these are firstly relating to the Council's financial sustainability and the second relates to the Council's arrangements relating to, and engagement during the external audit process.

What are the legal implications?

10 The Audit Plan outlines how Grant Thornton propose to discharge their responsibilities as defined by in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

Options, timescales and measuring success

What other options were considered?

11 The report summarises the proposed arrangements for Grant Thornton's 2022/23 audit.

How will success be measured?

12 The report outlines the progress updates which Grant Thornton intend to provide to the Committee during their audit.

What is the timetable and who will be responsible for implementation?

13 Grant Thornton will present an update on their audit progress to the next meeting of the Committee and aim to present an ISA 260 report on the financial statements to the meeting of the Committee in September 2024.

Appendices

- Appendix 1 is Grant Thornton's Audit Plan for 2022/23.

Background papers

- None