

## Grant Thornton Audit Risk Assessment Enquiries 2020/21

Date: 24<sup>th</sup> September 2021

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

### What is this report about?

- This report presents a series of enquiries from Grant Thornton which will inform their audit risk assessment for the 2020/21 audit. The enquiries cover accounting issues, fraud risk and legal issues.
- Grant Thornton have requested that the responses to their enquiries are drafted by officers and formally considered by Members at a meeting of the Committee. The questions and proposed responses are attached as Appendix 1 to this report.

### Recommendations

- a) Members are asked to consider the responses proposed by officers to Grant Thornton's enquiries, and to confirm whether these are consistent with Members' understanding of the Council's arrangements in these areas.

### Why is the proposal being put forward?

- 1 Grant Thornton have requested that the Council's responses to these enquiries are formally considered at a meeting of the Committee. Once the audit is complete the Committee will be asked to formally approve the final audited statement of accounts on behalf of the Council, and the responses to these enquiries this year form a stage in the assurances received by the Committee towards that approval.

### What impact will this proposal have?

#### Wards Affected:

Have ward members been consulted?      Yes      No

- 2 The report outlines officers proposed responses to Grant Thornton's audit risk enquiries.

### What consultation and engagement has taken place?

- 3 Informal briefing sessions have been held with members of the Committee to provide more background on the enquiries.

### What are the resource implications?

- 4 There are no direct resource implications arising from these enquiries.

### What are the legal implications?

- 5 Grant Thornton's enquiries include sections relating to assurances over the Council's compliance with laws and regulations.

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

- 6 Grant Thornton's enquiries cover the Council's arrangements to mitigate against the risks of fraud and of accounting misstatements. The responses explain how these areas of risk are managed.

### Does this proposal support the council's 3 Key Pillars?

Inclusive Growth      Health and Wellbeing      Climate Emergency

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

### Options, timescales and measuring success

#### a) What other options were considered?

- 8 The report summarises the Council's proposed responses to enquiries made by Grant Thornton as part of their 2020/21 audit.

#### b) How will success be measured?

- 9 Grant Thornton will report the conclusions from their audit to a future meeting of the Committee.

**c) What is the timetable for implementation?**

- 10 Grant Thornton aim to present an ISA 260 report on the financial statements in November and an Annual Report on value for money arrangements to the February 2022 meeting of the Committee.

**Appendices**

- 11 Appendix 1 is Grant Thornton's document 'Informing the Audit Risk Assessment for Leeds City Council 2020/21', completed to show the Council's proposed responses to the questions posed.

**Background papers**

- 12 None.

