

Report of: Corporate Director of Resources

Meeting of: Audit Committee

Date: 13th March 2023

Subject: Report of the External Auditor - Audit Progress Report

1. Synopsis

- 1.1 Following the commencement of the external audit in October 2022, Grant Thornton UK LLP is presenting an update report to the Committee. This update sets out their progress in delivering on their responsibilities as our external auditor. The report also includes a summary of emerging national and sector related issues which assist those charged with governance in the performance of their role.
- 1.2 At the Audit Committee meeting of the 30th January 2023 the External Auditor presented an update on progress which unfortunately included a delay to the completion of the authority's audit. The external auditor committed to providing an Audit Findings Report to the Committee meeting of the 13th March 2023. In order to support this, the council's finance team continued to prioritise audit queries and samples and ensured all outstanding items on the query log were resolved in short order.
- 1.3 Although disappointing to encounter a further delay, many Local Authorities currently find themselves in a position of not yet having 2020/21 accounts signed off, let alone 2021/22. Indeed, other Local Authorities within London have received letters from their auditors stating that their 2021/22 audit will not begin until after Summer 2023. This is in the context of a statutory date to complete the audit of 30th November 2022.
- 1.4 Since the Audit Committee of the 30th January 2023 Grant Thornton informed council officers that the resources allocated to our audit were being withdrawn in order to prioritise other audits. At this point, the auditors were still confident of achieving an Audit Findings Report for the May 2023 Committee date. Since then, Grant Thornton confirmed that resources have been reinstated earlier than planned.
- 1.5 Within their progress update, the auditor states that they expect to complete their fieldwork by the 14th April 2023. The Council continues to prioritise work to support the achievement of this date. The delay in the sign off of the 2021/22 audit will delay the Council in its endeavours to close the following years accounts, as certain tasks cannot be undertaken unless the prior year activities are finalised.
- 1.6 The Council is preparing for an accelerated 2022/23 year end timetable supported by the finance team's improvement in performance which had previously been acknowledged by Grant Thornton. The Government have recently consulted on its intention to return the statutory deadline for the

completion of Local Authority accounts to the 31st May 2023. The Council will work closely with the auditors once discussions around audit planning begin.

- 1.7 No significant issues or concerns have been raised to date within the audit.
- 1.8 The report also provides an update on the leadership of the audit team within Grant Thornton.

2 Recommendations

- 2.1 It is recommended that the Audit Committee notes the Audit Progress Report.

3 Background

- 3.1 Each year the council's external auditor provides an opinion on the council's Statement of Accounts. The report presents to the Committee the key information that the external auditor feels appropriate to bring to your attention.

4 Implications

- 4.1 **Financial Implications:** There are likely to be additional costs in relation to the overrunning of the audit. This will be considered once the Audit Findings Report is made available.
- 4.2 **Legal Implications:** None
- 4.3 **Environmental Implications:** This report does not have any direct environmental implications.
- 4.4 **Equality Impact Assessment:** The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 4.5 A resident impact assessment has not been carried out since the contents of this report relate to a purely administrative function and there are no direct impacts on residents.

Appendices:

- **Appendix 1** – Islington Council Audit Progress Report and Sector Update

Background papers: None

Responsible Officer:

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