

Audit and Standards Committee

3 November 2022

Warwickshire County Council and Warwickshire Pension Fund Statement of Accounts 2021/22– Progress Update

Recommendation

The Committee is asked to:

- i. Consider the progress on the audit of the 2021/22 Statement of Accounts and consider the progress report of the External Auditors, attached at Appendix A;
- ii. Note and comment on the proposed wording on the reason for the delay to the publication of the accounts with an audit opinion to be used on the Council's website, attached at Appendix B, which will be finalised by the Strategic Director for Resources in line with statutory requirements; and
- iii. Agree to the timetable of planned meetings of this Committee being changed to meet the revised timetable for the approval and publication of the 2021/22 accounts, when this is known.

1. Key Issues

- 1.1. This report presents an update on the progress of the audit of the Statement of Accounts for 2021/22 and other sector issues highlighted by our external auditors.
- 1.2. The draft Statement of Accounts for Warwickshire County Council including the Narrative Statement, Annual Governance Statement and the Accounts of the Warwickshire Pension Fund were published on 25 July 2022, in advance of the 31 July deadline. The documents were then provided to our external auditors to enable them to begin the audit at the same time. The statutory deadline, in accordance with these regulations, for completion of the audit and publishing the 2021/22 audited accounts with an audit opinion, in accordance with the Accounts and Audit (Amendment) Regulations 2022 (SI2022/708) is 30 November 2022. Thereafter this deadline reverts to 30 September for the years up to 2027/28.

- 1.3. Due to a number of factors beyond our (and their) control, our external auditors, Grant Thornton, are not in a position to complete the audit by 30 November 2022. We are therefore required to re-publish the unaudited accounts, with any required amendments we know about, by 30 November. This re-publishing has to be accompanied by a statement saying why the accounts do not contain an audit opinion.
- 1.4. A progress report from the External Auditors which provides more detail on the latest position is attached at **Appendix A**. In addition, the report also covers a sector update including briefings on topics such as the Department for Levelling Up, Housing and Communities response to the local audit consultation, Audit Committee effectiveness and the value of internal audit. The audit partner lead will attend the meeting to present their report. The Committee is asked to consider the report attached at Appendix A.
- 1.5. A draft of the statement we plan to issue, saying why the accounts do not contain an audit opinion, is attached at **Appendix B**. This is similar wording, except for the change to the reasons for the delay, that was issued last year. The Committee is asked to note the statement attached at Appendix B which will be finalised by the Strategic Director for Resources in line with statutory requirements.
- 1.6. Officers within the authority have worked and continue to work closely with our auditors. Work is progressing well and we have discussed with Grant Thornton the options for the timing of completion of this year's audit, the reporting to Audit and Standards Committee of the outcome of the audit and scrutiny of the Accounts and Council to approve the Accounts for publication and presentation of the Auditors Annual Report.
- 1.7. The timing is dependent on when the expected statutory instrument on the accounting for infrastructure assets is enacted. It is likely to mean the accounts and Audit Letter will be brought to full Council for approval/consideration on either 7 February 2023 or 19 March 2023. In either case there is no Audit and Standards Committee scheduled to consider the reports of the external auditors or consider the statement of accounts prior to these meetings. It is therefore recommended either the March 2023 meeting of this Committee is rescheduled or an additional meeting in January 2023 is put in place, once we know the timing of the expected statutory instrument.

2. Financial Implications

- 2.1. There are no financial implications as a direct result of this report.

3. Environmental Implications

3.1. None.

4. Background Papers

4.1. None.

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