

Audit and Standards Committee

20 July 2023

External Auditors Report – Warwickshire County Council Financial Year 2022/23 Audit Plan

Recommendation

That the Audit and Standards Committee considers and comments on the Annual Audit Plan for the year ending 31 March 2023 from the External Auditors, attached at Appendix A.

1. Purpose of the Report

- 1.1. Our external auditors, Grant Thornton, have written to the Council, identifying the audit plan and the audit fees for the County Council in respect of the 2022/23 financial year, together with the rationale and scope for those fees. This document is brought to the Committee for comment each year.
- 1.2. The Audit Engagement Lead will attend the meeting to present the report attached at **Appendix A**.
- 1.3. As part of their reporting to the Council the auditors are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial'. This is a technical term, defined under International Standard on Auditing ISA260 as matters that are clearly inconsequential, whether undertaken individually or in aggregate and whether judged by any quantitative or qualitative criteria. The limit for trivial matters for the 2022/23 financial year is £0.875m. The Committee should note that management reviews all misstatements identified to ensure those below £0.875m do not impact on the financial sustainability or decision-making of the Authority.

2. Financial Implications

- 2.1. The proposed audit fee for 2022/23 is £130,070. This represents an increase of £1,250 (+1.0%) from the fee for the 2021/22 financial year (£128,820).
- 2.2. The audit fee has been discussed with the Executive Director for Resources and the Director of Finance and the advice to the Committee is that the fee is accepted.

- 2.3. Members are asked to note that the fee level assumes that the Council will:
- prepare a good quality set of financial statements, supported by comprehensive and well-presented working papers which are ready at the start of the audit;
 - provide appropriate analysis and evidence to support all critical and significant judgements made during the course of preparing the financial statements; and
 - provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.
- 2.4. If we do not meet these requirements then the fee may increase. We have complied with these assumptions in previous years and continue to have a regular dialogue with the auditors throughout the year that enables discussion of issues that arise at the time. At this point in time we do not, therefore, expect to incur any additional fees.

3. Environmental Implications

- 3.1. There are no environmental implications arising from this report.

4. Background Papers

- 4.1. None.

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Elected Members have not been consulted in the preparation of this report.