

**Report for: GOVERNANCE, AUDIT,  
RISK MANAGEMENT  
AND STANDARDS  
COMMITTEE**

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<b>Date of Meeting:</b>	21 September 2022
<b>Subject:</b>	<b>INFORMATION REPORT</b> Audit Progress Report 2021/22
<b>Responsible Officer:</b>	Dawn Calvert, Director of Finance and Assurance
<b>Exempt:</b>	No
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Audit Progress Report 2021/22

## Section 1 – Summary and Recommendations

This report provides the Committee with an update on the progress of the 2021/22 external audit.

### **Recommendations:**

The Committee is requested to note the attached Audit Progress Report 2021/22 for the Council and the Pension Fund.

## Section 2 – Report

### **Background**

#### Audit Progress Report 2021/22

1. The Audit Progress report 2021/22 was prepared to communicate the progress made with auditing the Council's statement of accounts for the year ending 31 March 2022 and an update on the significant risks identified in relation to the audit of both the Council and Pension Fund financial statements.

Audit update for the Council:

- a) Planning work now completed
- b) Following receipt of the Council's draft financial statements, work is now being done to complete audit procedures
- c) Due to systems constraints, there was a delay in providing detailed information from the ledger. However, this has now been provided.

Following receipt of the draft financial statements, initial audit review identified two significant changes within the balance sheet when compared to 2020/21 which therefore requires an update to the significant risks reported in the Audit Strategy Memorandum presented to GARMS on 2 August :

- d) A new material value for intangible assets has been identified for the 2021-22 audit
- e) A new material value for inventory has been identified for the 2021-22 audit

Value for Money (VFM)

Update on auditor responsibilities relating to 2020/21

- f) Due to an ongoing Police criminal investigation, the auditors have been unable to conclude on the review of the Council's Value for Money arrangements for the 2020/21 financial period. They will not be able to conclude on the Council's value for money arrangements for the

2020/21 financial period until the Police investigation, and any resultant actions, are complete.

Update on auditor responsibilities relating to 2021/22

- g) The auditors have completed their initial risk assessment of the Council's Value for Money arrangements and, at this stage, have no additional issues that need to be brought to the attention of the Committee.

London Borough of Harrow Pension Fund –Audit Progress Update

To date the auditors have:

- h) Completed planning work for the Pension Fund.
- i) Commenced, at the start of August 2022, the audit procedures on the data supporting the draft financial statements.

There is a section highlighting national publications and update.

2. The Committee is asked to consider the progress made and additional risks.

## **Legal Implications**

The Accounts and Audit (England) Regulations 2015, require Local Authorities to prepare Statement of Accounts in accordance with proper practices. Previous timetable deadlines have meant that the draft Statement of Accounts must be published by 31st May with the audited version being published by 31st July each year. Following the Coronavirus pandemic the legislative requirements have been relaxed and this has continued for 2021-22. The Accounts and Audit (Amendment) Regulations 2021 (SI 2021/263) have revised the deadlines to 31st July 2022 for the draft accounts and 30th November 2022 for the audited accounts.

## **Financial Implications**

There are no direct financial implications arising from this report.

## **Risk Management Implications**

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **No**

The relevant risks contained in the register are attached/summarised below. **n/a**

## **Equalities implications / Public Sector Equality Duty**

Considering the Council's Public Sector Equality Duties under the Equality Act 2010, s.149, is integral to the decision-making process.

Was an Equality Impact Assessment carried out? No

There are no direct equalities implications.

## **Section 3 - Statutory Officer Clearance**

### **Statutory Officer:**

Signed by the Head of Strat & Tech Finance (Deputy s151 Officer)

Sharon Daniels

**Date:** 15 September 2022

### **Statutory Officer:**

Signed on behalf of the Monitoring Officer

Caroline Eccles

**Date:** 15 September 2022

### **Chief Officer:**

Signed by the Chief Financial Officer

Dawn Calvert

**Date:** 15 September 2022

## **Mandatory Checks**

Ward Councillors notified: NO, as it impacts on all Wards

## **Section 4 - Contact Details and Background Papers**

**Contact:** Yinka Ehinfun (Chief Accountant)  
Email: Yinka.ehinfun@harrow.gov.uk

## **Background Papers:**

None

If appropriate, does the report include the following considerations?

- |   |              |    |
|---|--------------|----|
| 1 | Consultation | No |
| 2 | Priorities   | No |