

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

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**Date of Meeting:** 30 November 2022

**Subject:** **INFORMATION REPORT**  
Audit Progress Report 2021/22

**Responsible Officer:** Dawn Calvert, Director of Finance  
and Assurance

**Exempt:** No

**Wards affected:** All

**Enclosures:** 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. This Audit Progress report 2021/22 (Appendix 1) has been prepared to communicate the progress made with auditing the Council's statement of accounts for the year ending 31 March 2022.
2. 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.
3. Work was being carried out to complete detailed audit procedures to meet the original timetable agreed for reporting the audit completion report to this November's GARMS meeting.
4. However, during the execution phase of the audit, auditors have encountered delays in their work.
5. In addition, there is a national issue in relation to accounting for infrastructure assets which has impacted on every local authority with material infrastructure balances. The statutory override, which sets out how councils should respond to this accounting issue is currently out for consultation. Once the detail is available, the Council will need to consider the implications for its accounting treatment and any associated amendments to the accounts.
6. As a result of these delays, which arise from both the need to complete work on new significant risks arising in 2021/22 as well as additional work around existing significant risks, there will be a delay in completion of the audit. The external auditors are endeavouring to

complete the audits as soon as possible and will be reported at a future GARMS meeting.

Audit update for the Council:

- a) During the execution phase of the audit, auditors have encountered delays in the work on the audit of income and expenditure, primarily due to the changes in ledger system during the year which has required additional work;
- b) The auditors have experienced delays in obtaining evidence to support the valuation of property, plant and equipment and investment property and at the point of writing, still require further evidence. At this point, they are largely pausing their work, to enable the Council to respond to their valuation queries.
- c) The auditors will agree a timetable with officers for the completion of the remaining fieldwork when the requested evidence is available.
- d) Section 2 of the audit progress report provides details of these in the context of the significant and enhanced risk to which they relate
- e) The auditors have substantially completed the audit procedures on the data supporting the draft financial statements of the Pension Fund. Due to the nature of the two separate sets of accounts and the requirement to complete the principal authority audit prior to the pension fund, the auditors will only be able to complete the formal sign off and closure of the audit at the same time as the completion of the London Borough of Harrow audit.

Value for Money (VFM)

Update on our auditor responsibilities relating to 2020/21

- f) Due to the ongoing Police criminal investigation, the auditors have been unable to conclude our review of the Council's Value for Money arrangements for the 2020/21 financial period. They will be unable to conclude on the Council's value for money arrangements for the 2020/21 financial period until the Police investigation is complete.

Update on our auditor responsibilities relating to 2021/22

- g) The auditors have completed our initial risk assessment of the Council's Value for Money arrangements and, at this stage, have no additional issues that we need to bring to the attention of the Committee. The work reviewing the value for money arrangements will continue throughout the course of the audit, and the external auditors will discuss the timing of the reporting with management in due course in light of the above.

7. The Committee is asked to consider the progress made and the delay in the completion of the audit.

## **Legal Implications**

There are no direct legal implications arising from this report.

## **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 Strategy & Tech Finance (Deputy s151 Officer)

Sharon Daniels

**Date:** 17 November 2022

### **Statutory Officer:**

Signed on behalf of the Monitoring Officer

Caroline Eccles

**Date:** 17 November 2022

**Chief Officer:**

Signed by the Chief Financial Officer

Dawn Calvert

**Date:** 17 November 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:**

1. Audit Progress Report 2021/22

If appropriate, does the report include the following considerations?

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