



**Governance and Audit  
Committee**

**Tuesday, 26th September  
2023**

**Subject: Report to those charged with Governance - External Audit  
Completion Report 2022/23**

Report by:

Presented by Paddy Sadd, Audit Manager,  
Mazars

Contact Officer:

Peter Davy  
Financial Services Manager

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Purpose / Summary:

To present to those charged with governance,  
the External Audit report on the quality of the  
Statement of Accounts and Annual Governance  
Statement 2022/23.

**RECOMMENDATION(S):**

1. That Members accept the content of this report.

## IMPLICATIONS

**Legal: None from this report**

**Financial : FIN/113/23/PD**

The External Auditor, Mazars has been appointed from 1 April 2019 as part of the Public Sector Audit Appointments (PSAA) contract awards.

The fee for the audit was £40k in 2022/23.

(N.B.) All committee reports MUST have a Fin Ref

**Staffing : None from this report**

**Equality and Diversity including Human Rights :**

**None from this report**

**Data Protection Implications :**

**Data is shared for audit purposes**

**Climate Related Risks and Opportunities :**

**None from this report**

**Section 17 Crime and Disorder Considerations :**

**None from this report**

**Health Implications:**

**None from this report**

**Title and Location of any Background Papers used in the preparation of this report:**

**Risk Assessment :**

**None from this report**

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

*i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)*

**Yes**

**No**

**X**

**Key Decision:**

*A matter which affects two or more wards, or has significant financial implications*

**Yes**

**x**

**No**

## **1. Background**

The draft audit completion report to those charged with Governance is attached at Appendix A, the headlines of which include:

- An unqualified audit opinion on the 2022/23 Statement of Accounts.
- There were no material misstatement identified during the audit that would require adjustment by officers.
- There is one unadjusted misstatements to note in the following area in relation to the Statement of Accounts:

### 1) Intangible Assets

The balance sheet in the prior period (2021/22) contains a classification misstatement of £275k between intangible assets and property, plant and equipment. In the prior period the Council recognised all intangible assets under construction within the property plant and equipment note as tangible assets under construction.

Officers do not propose to adjust the financial statement for this item on the grounds of materiality.

## **2. Status of Audit**

At the time of preparing the report there are a small number of matters which remain outstanding as outlined in section 2 of Appendix A. These are around sample testing and are due to be completed shortly.

Mazars are also awaiting assurances from the pension fund auditors to finalise their work on the Council's defined benefit pension liability. This work is anticipated to be completed in October at which time the statement of accounts for 2022/23 can be formally signed off.

## **3. Internal Control Recommendations**

Section 5 in Appendix A outlines internal control recommendations identified during the course of the audit by Mazars. One recommendation has been made with regards to deactivation of leavers system user profiles.

An instance was discovered whereby an officer who had ended their term of employment at the Council still had active user profiles within the Council's ledger system following their final day of service. The auditors were provided evidence to show that in this instance, the former officer had not accessed the system following their final day of service.

After a review of process this has now been addressed and there is confidence that this will not happen again.

The report will be presented to Governance and Audit Committee by Paddy Sadd, Audit Manager, Mazars and Danial Watson, Key Audit Partner, Mazars.

The Audit Completion Report is attached at Appendix A