

External Audit Update for South Somerset District Council

Year ended 31 March 2021

South Somerset District Council

26 May 2022



1. External Audit Progress at 18 May 2022

2020-21

As discussed with the Audit Committee at the meeting on 24 March 2022, we were working towards completion of the audit work in time to sign the accounts on 9th May 2022. We set out below the reasons that this timeframe was not met.

In order to be in a position to issue our opinion we were clear that all audit work would need to be complete prior to our work on NHS accounts commencing, this was due to start 26 April 2022. This would require the Council providing all outstanding information to us with sufficient time for us to audit, raise any subsequent clarification queries and then review by senior members of the audit team. The following issues meant that we were unable to complete all our work prior to beginning NHS accounts:

- We did not receive a copy of the updated Group financial statements until the 27 April 2022 and the Group working papers were not provided until the 10 May 2022, meaning that we were unable to undertake any audit work on this information;
- Management's going concern assessment did not comment on the group entities. This was shared with us on the 3 May 2022 and we returned it requesting additional consideration. At the time of drafting this update, we understand that management are awaiting information on the going concern status of Elleston Services Limited in order to inform the overall assessment.
- We await an updated statement; We requested a full review of the grants population as we had identified two errors in our initial testing. We received the additional evidence requested on the 5 May 2022;
- At the time of writing, we are still in discussions with management, the companies' external valuer and Directors of Opium Power to obtain all the information required to perform our work on the valuation of Group Property, Plant and Equipment, specifically the underlying calculations to support the valuation of the battery units; and
- We are still awaiting responses on our queries in relation to two recharges, one in relation to fees & charges and the other relating to investment income.

We have agreed with management that we are now seeking to complete the audit in time for the Audit Committee at the end of July 2022. This remains a challenging timescale and requires appropriate and sufficient evidence to be provided to us in a timely manner, particularly as audit resources are not available until after mid-June 2022.

