

## **Audit Committee**

Meeting Date – 26th October 2023

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## **External Audit Update Report and Somerset West and Taunton Council Statement of Accounts 2021/22**

Lead Member(s): Cllr Liz Leyshon Deputy Leader and Lead Member for Resources and Performance

Lead Officer: Jason Vaughan – Executive Director Resources and Corporate Services

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### **Summary / Link to Council Plan**

The 2022/23 external audit for Somerset West and Taunton Council is in the process of being finalised. The attached Statement of Accounts and Audit Findings will conclude the audit for 2022/23 if approved.

The Somerset Council Audit Committee will need to provide the governance overview and consideration of all legacy Councils outstanding Statement of Accounts. This will include all 2022/23 accounts for the former district councils and Somerset County Council.

### **Recommendations**

1. The Audit Committee
  - 1.1. Approves the Statement of Accounts as attached for South Somerset District Council for 2021/22, or delegates approval for the accounts to the Executive Director Resources and Corporate Services in conjunction with the Chair or Vice-Chair, once any outstanding matters have been resolved.
  - 1.2. Notes the Audit Findings report from Grant Thornton.
  - 1.3. Notes the additional fees as set out in the attached Appendix.

1.4. Approves the signing of the attached Letter of Representation.

### **Reasons for recommendations**

The Audit Committee

- a. Approves the Statement of Accounts as attached for Somerset West and Taunton Council for 2022/23, or delegates approval for the accounts to the Executive Director Resources and Corporate Services in conjunction with the Chair or Vice-Chair, once any outstanding matters have been resolved
- b. Approves the revised Annual Governance Statement
- c. Notes the Audit Findings report from Grant Thornton
- d. Approves the signing of the attached Letter of Representation

### **Links to Council Plan and Medium-Term Financial Plan**

- 4. It is important for Somerset Council to ensure that all audits are completed and an opinion provided for all legacy Councils. This ensures that the opening balances for the new Council are correct. This is particularly important for reserves and capital receipts to ensure that the Council can plan effectively.

There are no specific risks to the council of this report.

<b>Likelihood</b>		<b>Impact</b>		<b>Risk Score</b>	

### **Implications**

- 6. There are no financial implications of noting this report, however the cost of the audit, because of delays has increased by £20k with further fees due to finalise the audit. Further officer resource has been allocated to the Statement of Accounts to reach a conclusion as soon as possible.

### **Legal Implications**

- 7. There are no legal implications of approving the recommendations.

## **Other Implications:**

### **HR Implications – I think we can leave this out.**

8. There are no HR implications of approving this report.

### **Equalities Implications**

9. There are no equalities implications from approving this report.

### **Community Safety Implications**

10. There are no community safety implications from approving this report.

### **Climate Change and Sustainability Implications**

11. Somerset Council have declared both a Climate and Ecological Emergency. Through that, the Council has committed to working towards making the whole county, including our own estate and operations, 'Carbon Neutral' by 2030 and to take positive action to reverse the damage on our natural habitats by man-made activity. We have also pledged to ensure that Somerset is resilient to, and prepared for, the effects of Climate Change. There are no implications from approving this report.

### **Health and Safety Implications**

12. There are no health and safety implications from approving this report.

### **Social Value**

13. There are no social value implications from approving this report.

## **Background**

On the 1<sup>st</sup> April 2023 Somerset Council replaced the five legacy Councils of Somerset County Council, Mendip District Council, Sedgemoor District Council, Somerset West and Taunton Council and South Somerset District Council. At that date the following Councils had yet to receive audit opinions as follows:

- Mendip District Council – 2021/22

- Sedgemoor District Council - 2020/21 and 2021/22(2020/21 has since received the final audit opinion)
- South Somerset District Council - 2021/22

Somerset Council must provide 2022/23 Statement of Accounts for each of the legacy Councils and the Pension Fund. This has been resource intensive. All accounts are now published and are at different stages of the audit process.

## **Report**

This report seeks approval for the audited 2022/23 Somerset West and Taunton Statement of Accounts. Attached is Grant Thornton's Audit Findings Report which sets out issues, amendments and corrections required and recommendations for future year end procedures.

The auditors have not raised any significant risks and the recommended actions are all categorised as low, though the impact of these will be addressed as part of the year end procedures undertaken by Somerset Council for 2023/24.

The recommended adjustments to the statement of accounts have been undertaken though none of these impact the bottom line of the council's outturn position or usable reserves.

As part of the audit the councils Annual Governance Statement is reviewed. A handful of small adjustments were required to the AGS and this is, therefore required to be re-approved.

Jackson Murray and Gail Turner-Radcliffe from Grant Thornton will be attending the committee remotely to go through the report and update members with current position.

## **Appendices**

- As attached.