

## **SDC – Grant Thornton External Audit Conclusion for Financial Year 2021/22**

Executive Member(s): Cllr Liz Leyshon Deputy Leader and Lead Member for  
Lead Officer: Jason Vaughan – Executive Director Resources and Corporate Services  
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### **1. Summary / Background**

The external audit 2022/23 for Sedgemoor District Council has yet to be completed. The attached Statement of Accounts and Audit Findings will conclude the audit for 2021/22 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 2021/22 for South Somerset District Council, Mendip District Council, and Sedgemoor District Councils as well as 2022/23 for those Councils plus Somerset Council and Somerset West and Taunton Council.

### **2. Recommendations**

The Audit Committee

- 2.1. Approves the Statement of Accounts as attached for Sedgemoor District Council for 2021/22
- 2.2. Notes the Audit Findings report from Grant Thornton
- 2.3. Notes the additional fees as set out in the attached Appendix
- 2.4. Approves the signing of the attached Letter of Representation

### **3. Reasons for recommendations**

The Audit Committee terms of reference include:

- Monitoring of the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- Reviewing the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **4. Other options considered**

No other options have been considered

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

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.

### **6. Financial and Risk Implications**

There are no financial implications of noting this report, however the cost of the audit because of the triennial pension review has increased by £6k.

### **7. Legal Implications**

There are no legal implications of approving the recommendations.

### **8. HR Implications**

There are no HR implications of approving this report.

### **9. Other Implications:**

### **9.1. Equalities Implications**

There are no equalities implications from approving this report.

### **9.2. Community Safety Implications**

There are no community safety implications from approving this report.

### **9.3. Climate Change and Sustainability Implications**

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.

### **9.4. Health and Safety Implications**

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

## **10. Social Value**

There are no social value implications from approving this report.

## **11. 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 and this report should conclude 2021/22)
- 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.

## **12. Report**

This report requests that the Audit Committee approves the 2021/22 Sedgemoor District Council Accounts and notes the Audit Findings Report from Grant Thornton. As the 2021/22 Statement of Accounts had not been concluded The Triennial Pensions Review had an impact on the figures within the accounts. A further report was commissioned from the Pension Fund and the Statement of Accounts were amended accordingly. The additional audit work to review these is a further £6k in fees.

David Johnson from Grant Thornton will be attending the committee in person to go through the Findings Report.

## **13. Background Papers**

Report to Executive Committee 2<sup>nd</sup> August 2023.

## **14. Appendices**

- As attached