



AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 9 March 2021

REPORT TITLE:	EXTERNAL AUDITORS ANNUAL AUDIT LETTER 2019-20
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

The Council's external auditors (Grant Thornton) completed the Council's main audit 2019-20 Accounts in January 2021. Whole of Government Accounts was completed in February and the Auditors certificate of completion dated 17 February. The findings were reported to the Committee in the form of the Audit Findings Report in January.

The auditors are also under a duty to provide a shorter summary of the key issues/findings from their audit for consideration by a wider audience across the Council, Pension Fund, and its key stakeholders.

That report, the annual audit letter, is attached to this paper. Once approved it will be placed on the Council's website.

RECOMMENDATION/S

The Audit and Risk Management Committee is recommended to consider and comment on the Annual Audit Letter and approve it for onward publication on the Council website.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Audit & Risk Management Committee has responsibility for approving the Statement of Accounts and the Annual Governance Statement (AGS) on behalf of the Council, which is a requirement under The Accounts and Audit Regulations 2015 and The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020.

The Annual Audit Letter is an essential element of the independent external audit process. This report has to be presented to a Committee of the Council for their consideration.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Option to not submit to Committee for comment and approval, however, this would not comply with the audit regulations and would be at the detriment of the Council.

3.0 BACKGROUND INFORMATION

- 3.1 Grant Thornton undertook their annual audit of the Council's financial reporting and activities. These reviews are intended to give assurance to both Members, residents and external stakeholders that the Council's financial activities have been appropriately reported in its Accounts and they raised their concerns as to the financial resilience of the Council in their value for money conclusion.
- 3.2 The detailed findings from this audit were reported to the Audit and Governance Committee on 11 January 2021 in the form of the Audit Findings Report. This confirmed that the Council's and Pension Fund Accounts for 2019-20 were unqualified and fairly stated the Council's finances and as a result the Committee approved their publication. The auditors did give an adverse conclusion on value for money for the Council.
- 3.3 Grant Thornton has now produced its Annual Audit Letter, attached as appended to this paper, which contains a summary of the relevant findings from their work and any key issues which arose. This document reports their findings in a form which is more readily accessible to members of the public. It will be made available alongside the Accounts on the Council's website.
- 3.4 The letter reconfirms the audit findings previously reported to this Committee:
- The Accounts presented a true and fair view and were unqualified.
 - Their concerns as to the Council's financial resilience, planning and sustainability with respect to the value for money work undertaken.
 - There is evidence of financial planning to address ongoing funding and budget concerns of the Council.

4.0 FINANCIAL IMPLICATIONS

4.1 The cost of the report is part of the audit fee which has previously been approved by the Audit and Risk Management Committee.

5.0 LEGAL IMPLICATIONS

5.1 There are no legal aspects related to this matter.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 None arising directly from this report.

7.0 RELEVANT RISKS

7.1 The Local Government Act 2003 and the Local Government and Housing Act 1989 require the Statement of Accounts to be produced in line with recommended accounting practices. Failure to do so could result in qualification of the accounts, which may lead to further audit costs.

7.2 If any concerns identified by Grant Thornton are not addressed by the Council then there is a risk that the Council will not be able to meet its statutory requirements in respect to the Statement of Accounts as well as impacting upon the Value for Money and Financial Resilience of the Council and the Council's reputation.

8.0 ENGAGEMENT/CONSULTATION

8.1 None arising directly from this report.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help Council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 There are no equality implications arising specifically from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

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APPENDICES

Appendix 1 – External Auditors Annual Audit Letter 2019-20

BACKGROUND PAPERS

External Audit Findings Report 2019/20
Statement of Accounts 2019/20
External Audit Plan 2019/20

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
External Auditors Annual Audit report 2018/19	27/01/20
External Auditors Annual Audit report 2017/18	11/03/19
External Auditors Annual Audit report 2016/17	12/03/18