



Coventry City Council

Public report

Audit and Procurement Committee

25th November 2024

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources - Councillor R Brown

Director Approving Submission of the report:

Director of Finance and Resources (Section 151 Officer)

Ward(s) affected:

City Wide

Title:

2023/24 External Audit Plan and Related Audit Reports

Is this a key decision?

No

Executive Summary:

The purpose of this report is to request that the Audit & Procurement Committee note the 2023/24 External Audit Plan (Appendix 1 to the report) provided by the Council's external auditor, Grant Thornton, together with the related 'Informing the risk assessment' report, and the 2023/24 IT Audit Report.

The Audit Plan provides details of the planned scope and timing of the audit of the Council's accounts. As the focus of the audit is risk based, Grant Thornton have been liaising with the Council's management to update their understanding of the nature of risks that could impact on the audit plan. The findings from this work are detailed in the 'Informing the risk assessment' report (Appendix 2 to the report). The auditors will design an audit programme that is tailored to address the risks and circumstances at Coventry City Council.

In support of the audit of the accounts, Grant Thornton have reviewed the controls in place for the Council's key financial systems. The outcome from this work is detailed in the '2023/24 IT audit findings' report (Appendix 3 to the report). Although there were some areas for improvement identified, there were no significant deficiencies in IT controls relevant to the audit of financial statements.

Recommendations:

Audit and Procurement Committee is recommended:

- 1) To note the details presented in the 2023/24 Audit Plan.
- 2) To note the findings detailed in the 'Informing the audit risk assessment – 2023/24' report.
- 3) To note the findings detailed in the '2023/24 IT audit findings' report.

List of Appendices included:

Appendix 1 – 2023/24 External Audit Plan
Appendix 2 – Informing the audit risk assessment – 2023/24
Appendix 3 – 2023/24 IT Audit

Background Papers

None

Other useful documents:

None

Has it been or will it be considered by Scrutiny?

The Audit and Procurement Committee will consider the Statement.

Has it been or will it be considered by any other Council Committee, Advisory Panel, or other body?

No

Will this report go to Council?

No

Report title: 2023/24 External Audit Plan and Related Audit Reports

1. Context (or background)

- 1.1. The purpose of this report is to request that the Audit & Procurement Committee note the 2023/24 External Audit Plan (Appendix 1 to the report) provided by the Council's external auditor, Grant Thornton, together with the related 'Informing the risk assessment' report and the IT audit 2023/24 report.
- 1.2. The Audit Plan provides details of the planned scope and timing of the audit of the Council's accounts. As the focus of the audit is risk based, Grant Thornton have been liaising with the Council's management to update their understanding of the nature of risks that could impact on the audit plan. The findings from this work are detailed in the 'Informing the risk assessment' report (Appendix 2 to the report).
- 1.3. The auditors will design an audit programme that is tailored to address the risks and circumstances at Coventry City Council. The key risks identified in the Audit Plan are:
 - Management override of controls
 - Valuation of land and buildings, and investment properties.
 - Valuation of the pension net asset/liability.
 - Accounting for the Group and the valuation of long-term investments.
 - Liabilities for equal pay claims
- 1.4. In support of the audit of the accounts, Grant Thornton have reviewed the controls in place for the Council's key financial systems. The outcome from this work is detailed in the '2023/24 IT audit findings' report (Appendix 3 to the report). Although there were some areas for improvement identified, there were no significant deficiencies in IT controls relevant to the audit of financial statements.
- 1.5. In September 2024, the Government passed legislation designed to address the backlog in the completion of local authority accounts. This legislation specified deadlines for the completion of audit work for particular financial years. In the event of uncompleted audits by the specific deadlines, auditors would be required to issue either qualified opinions or disclaimers, as appropriate.
- 1.6. Primarily due to delays in the publishing of the audited 2019/20 accounts, the audit of the Council's 2020/21 accounts has not been completed and the audit of the 2021/22 and 2022/23 accounts has not begun. As the deadline for publishing of the audited accounts in relation to these years has been set as 13th December 2024, there is not sufficient time to carry out the audit of these years, and the external auditor will be issuing disclaimed opinions for these years.
- 1.7. As a result, the audit of the 2023/24 accounts will also need to be adapted to reflect the fact that the Council's 2022/23 accounts have not been audited, so reliance cannot be placed on brought forward balances. The deadline for the publishing of the audited 2023/24 accounts has been set as 28th February 2025.

2. Options considered and recommended proposal

- 2.1. A decision not to agree to these recommendations would result delaying the audit of the Council's 2023/24 statutory accounts.

3. Results of Consultation Undertaken

- 3.1. None

4. Timetable for implementing this decision

- 4.1. The external auditor, Grant Thornton, will begin the main work on the Council's 2023/24 Statement of Accounts in early December 2024, following the publication of the draft accounts on the Council's website.

5. Comments from the Director of Finance and Resources (section 151 Officer) and the Director of Law and Governance

5.1. Financial Implications

Were the recommendations proposed in this report not accepted this would delay the start of the audit and result in additional work for the Council's officers and the external auditor. It is likely that this would increase audit costs.

5.2. Legal Implications

On 5 September 2024 parliament approved the Accounts and Audit (Amendment) Regulations 2024. These regulations set a publication date for financial statements up to and including 2023/24 by 28 February 2025.

6. Other implications

6.1 How will this contribute to achievement of the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>)

N/A

6.2 How is risk being managed?

N/a

6.3 What is the impact on the organisation?

It remains important for the Council to ensure timely and accurate reporting of the Council's financial position.

6.4 Equalities / EIA

No impact

6.5 Implications for (or impact on) Climate Change and the environment

No impact

6.6 Implications for partner organisations?

No impact

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Barry Hastie	Director of Finance and Resources (Section 151 Officer)	-	12/11/24	15/11/24
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Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	12/11/24	14/11/24

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