

# Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 14 November 2024

Wards affected: n/a

Report of the Joint Strategic Director of Finance

Author: Jo Knight

Tel: 01483 444891

Email: [Jo.knight@guildford.gov.uk](mailto:Jo.knight@guildford.gov.uk)

Lead Councillor responsible: Richard Lucas

Email: [Richard.lucas@guildford.gov.uk](mailto:Richard.lucas@guildford.gov.uk)

## Financial Statements for the Years Ended 31.03.22 and 31.03.23

### 1. Executive Summary

- 1.1 It will not be possible to complete the external audit for 2021/22 and 2022/23 by the statutory backstop date of 13 December 2024 set by government. The external auditor will therefore issue a disclaimer audit opinion for both years.
- 1.2 Even though no work has been undertaken, the auditors are still required under Auditing Standards to report certain matters to the Corporate Governance and Standards Committee, including their responsibilities as auditor, the scope of the audit, independence, audit fees and any matters arising from the audit.
- 1.3 The Chair of the Corporate Governance and Standards Committee is required to issue a letter of representation on behalf of the Council to the auditors to provide assurance over the management framework

operating at the Council and the disclosures in the accounts. A copy of the proposed letters for 2021/22 and 2022/23 are provided at **Appendices 2 and 3.**

## **2. Recommendation to Committee:**

- 2.1. Notes Grant Thornton's Audit Findings Report (**Appendix 1**)
- 2.2. Approves the letters of representation on behalf of the Council and authorises the Chair of the meeting to sign the letter on the Council's behalf (**Appendices 2 and 3**)

## **3. Reason for Recommendation:**

- 3.1 The Committee as 'Those Charged with Governance' are required to receive the Audit Findings Report and approve for the Chair to sign the letters of representation on behalf of the Council.

## **4. Exemption from publication**

- 4.1. No.

## **5. Purpose of Report**

- 5.1 This report communicates the findings from the 2021/22 and 2022/23 external audits.

## **6. Strategic Framework**

- 6.1 A key priority of the Council's Corporate Strategy is to ensure that we are a resilient and well-managed council. The external audit of the accounts gives an opinion as to the effectiveness of the internal governance.

## **7. Background**

- 7.1 On 5 September 2024 the government published draft the Accounts and Audit (Amendment) Regulations 2024. These Regulations, which were approved on 30 September 2024, set a publication date for financial statements up to and including 2022/23 of 13 December 2024.

The new National Audit Office Code, which is expected to be approved by 14 November 2024, also requires that auditors should issue their audit report in time for the relevant authority to publish its accounts by the specified date in those Regulations. Where audit work is not concluded, this will result in either a qualification or disclaimer of opinion.

- 7.2 It will not be possible to complete the external audit for 2021/22 and 2022/23 by the statutory backstop date. The external auditors therefore propose to issue a disclaimer audit opinion.

## **8 Financial Implications**

- 8.1 There are no direct financial implications arising from this report.

## **9 Legal Implications**

- 9.1 The International Standard on Auditing (UK and Ireland) 260 requires the external auditor to report any issues arising from the audit of the Financial Statements to those charged with Governance. In the Council's case this is the Corporate Governance and Standards Committee.
- 9.2 The International Standard on Auditing (UK and Ireland) 580 requires the Chief Financial Officer to send a letter of representation to the external auditor. **Appendices 2 and 3** include the draft of the 2021/2022 and 2022/23 letter of representations which officers recommend that the Committee approves and that the chair of the meeting signs on the Council's behalf.

## **10 Human Resource Implications**

- 10.1 There are no HR implications arising from this report

## **11 Conclusion**

- 11.1 The Auditor will issue a disclaimer audit opinion for both 2021/22 and 2022/23 following receipt of the letters of representation.

## **12 Background Papers**

None

## **13 Appendices**

Appendix 1: Audit Findings report for 2020/21 and 2021/22

Appendix 2: 2021/22 letter of representation

Appendix 3: 2022/23 letter of representation