

South Ribble Borough Council Audit Progress Report and Sector Update

Year ending 31 March 2022

September 2022



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

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This paper provides the Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications <https://www.grantthornton.co.uk/en/services/public-sector-services/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at September 2022

Financial Statements Audit

We undertook our initial planning for the 2021/22 audit in March and April 2022.

In May we issued a detailed audit plan, setting out our proposed approach to the audit of the Authority's 2021/22 financial statements.

The draft Statement of Accounts was published 4 August 2022 and we have begun our year-end audit work including substantive testing of transactions and balances and our audit procedures in response to the significant risks identified in our Audit Plan.

Management has undertaken an assessment of the transactions and balances arising in South Ribble Leisure Ltd for the year ending 31 March 2022, and determined that the subsidiary company is material to the financial performance and position of the Council.

Management will prepare consolidated financial statements which incorporate the transactions and balances of the subsidiary company in accordance with the CIPFA Code.

We have issued an update to our Audit Plan previously published in May 2022 which includes our risk assessment and audit procedures required to support our audit opinion on the Council's consolidated financial statements.

We will report our work in the Audit Findings Report and aim to give our opinion on the Statement of Accounts by 30 November 2022.

Value for Money

The new Code of Audit Practice (the "Code") came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code was the introduction of an Auditor's Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and is planned to make more impact.

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies auditors are required to issue our Auditor's Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the ongoing pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation. The extended deadline for the issue of the Auditor's Annual Report is now no more than three months after the date of the opinion on the financial statements. We anticipate issuing our Auditor's Annual Report in November 2022.

Audit Deliverables

2021/22 Deliverables	Planned Date	Status
<p data-bbox="120 320 264 352">Audit Plan</p> <p data-bbox="120 368 1563 472">We are required to issue a detailed audit plan to the Governance Committee setting out our proposed approach in order to give an opinion on the Authority's 2021/22 financial statements and to report on the Authority's value for money arrangements in the Auditor's Annual Report</p>	May 2022	Completed
<p data-bbox="120 496 421 528">Audit Findings Report</p> <p data-bbox="120 544 1111 576">The Audit Findings Report will be reported to the November Audit Committee.</p>	November 2022	Not yet due
<p data-bbox="120 600 338 632">Auditors Report</p> <p data-bbox="120 647 824 679">This includes the opinion on your financial statements.</p>	November 2022	Not yet due
<p data-bbox="120 703 450 735">Auditor's Annual Report</p> <p data-bbox="120 751 1525 823">This report communicates the key outputs of the audit, including our commentary on the Authority's value for money arrangements.</p>	November 2022	Not yet due
<p data-bbox="120 1015 656 1046">2021/22 Audit-related Deliverables</p>	Planned Date	Status
<p data-bbox="120 1078 656 1110">Housing Benefit Subsidy – certification</p> <p data-bbox="120 1118 1480 1187">This is the report we submit to Department of Work and Pensions based upon the mandated agreed upon procedures we are required to perform.</p>	December 2022	Not yet due

Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

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Local
government



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