

AUDIT COMMITTEE	AGENDA ITEM No. 9
22 JULY 2024	PUBLIC REPORT

Report of:	Cecilie Booth – Executive Corporate Director of Corporate Resources and S151 Officer
Cabinet Member(s) responsible:	CLlr Amjad Iqbal, Deputy Leader and Cabinet Member for Finance and Corporate Governance
Contact Officer(s):	Jill Evans, Service Director- Corporate Finance

2023/24 EXTERNAL AUDIT PLAN

R E C O M M E N D A T I O N S	
FROM: Cecilie Booth – Executive Corporate Director of Corporate Resources and S151 Officer	Deadline date: 22 June 2024
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> 1. Receives the Audit Plan from EY that shows their plans to audit the 2023/24 accounts. 	

1. ORIGIN OF REPORT

- 1.1 The annual accounts are required to be audited. The Audit Committee, as the Council’s body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by Management and the Council’s wider arrangements to support the delivery of a timely and efficient audit.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is provide the Audit Committee of Peterborough City Council (the Council) with a basis to review EY’s proposed audit approach and scope for the 2023/24 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office’s 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements, but also to ensure that the audit is aligned with the Committee’s service expectations.
- 2.2 This report is for the Audit Committee to consider under its Terms of Reference:
 - 3.19: To comment on the scope and depth of external audit work and to ensure it gives value for money.
 - 5.3: To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	n/a
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4. BACKGROUND

4.1 The report highlights the risks that EY will concentrating on during their audit.

The new significant risks that EY will audit are (PCC comments in brackets):

- Valuation of Solar Asset Portfolio (delayed the audit of the 20/21 accounts, and is now an asset and revalued at such)
- Accounting for the Hilton hotel loan (external accounting advice on its treatment has been sought and shared with EY)
- Preparation of financial statements – Finance Team capacity (the team has been restructured leading to delays)

4.2 The audit plan sets out the plan to audit the accounts for 2023/24. However, the report also considers the likely impact of Government proposals to clear the backlog in local audit and put the local audit system on a sustainable footing. It sets out that phase 1 will be: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 30 September 2024.

The audit requirements have not changed as the proposals have not been made into legislation. Therefore, the position on PCC's 2021/22 and 2022/23 accounts is unclear.

4.3 Having unaudited accounts means the council cannot demonstrate that the accounts show an unqualified true and fair view of the council. Officers have requested EY provide an update on their plans to audit these years,.

4.4 The fee for 2020/21 has been submitted to the PSAA (Appendix B) and officers are seeking information to confirm the amount due.

5. CORPORATE PRIORITIES

5.1 Having audited accounts is a statutory requirement.

6. CONSULTATION

6.1 This report has been issued to the Executive Director of Corporate Services and Section 151 Officer for consideration

7. ANTICIPATED OUTCOMES OR IMPACT

7.1 The Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) set out what is expected of audited bodies in preparing their financial statements (see Appendix A).

8. REASONS FOR RECOMMENDATIONS

8.1 To enable the Audit Committee to continue to monitor the Council's financial governance.

9 ALTERNATIVE OPTIONS CONSIDERED

9.1 External audit of the accounts is a statutory requirement. Having no audit was not considered.

10. IMPLICATIONS

10.1 Financial

Having audited accounts enables the council to demonstrate its true and fair financial position.

Legal

Audited accounts are a statutory requirement.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

11.1 The 2021/22 accounts and the 2022/23 accounts which can be found here-

[Statement of accounts | Peterborough City Council](#)

The 2023/24 accounts are due to be published on 31 July

12. APPENDICES

12.1 Appendix A – 2023/2024 EY Audit Plan

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