

Title of report: External Audit Progress Report and Sector Update

Meeting: Audit and Governance Committee

Meeting date: Tuesday 30 January 2024

Report by: Head of Strategic Finance

Classification

Open

Decision type

This is not an executive decision

Wards affected

All Wards

Purpose

To report the progress of external audit in delivering its responsibilities to the council.

Recommendation

That:

- a) **The committee reviews the external auditor's report, notes the progress in 2022/23 and considers the emerging national issues.**

Alternative options

1. There are no alternative recommendations. External audit is a statutory requirement.

Key considerations

2. The external auditor's Progress Report and Sector Update is included at Appendix A. The report notes the timely completion of the financial statement audit and resulting unqualified audit opinion for the year ended 31 March 2023 and the completion of the Value for Money (VFM) work for 2022/23; the findings of this work is reported as a separate agenda item for this committee.
3. The report outlines the proposed arrangements for the financial statement audit for the year ending 31 March 2024 with a detailed audit plan expected to be presented to this committee in April 2024.

4. The statutory deadline for the publication of the draft financial statements for 2023/24 is 31 May 2024. The council's finance team has appropriate resources and plans in place to meet this deadline and will be able provide audit working papers and evidence to the external audit team from early June 2024 in order to support a timely audit opinion for 2023/24.
5. The sector update outlines emerging national issues and developments. These include:
 - a) Reasons for the delayed publication of audited local authority accounts in England;
 - b) Department for Levelling Up, Housing and Communities (DLUHC) proposals to clear the audit backlog;
 - c) School buildings constructed using reinforced autoclaved aerated concrete (RAAC);
 - d) Local Government Pension Scheme (LGPS) valuations; and
 - e) Sustainability reporting in the public sector.

Community impact

6. One of the principles in the council's code of corporate governance is to implement good practices in transparency, reporting, and audit to deliver effective accountability. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. External audit contributes to effective accountability.

Environmental Impact

7. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
8. Whilst this is a report for information and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

Equality duty

9. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
10. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are

paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

11. There are no specific resource implications from the report itself. However, there may be resource implications from implementing specific recommendations. If these cannot be contained within approved budgets, then a specific decision will be presented for approval.

Legal implications

12. There are no specific legal implications arising from this report itself.

Risk management

13. Specific risks are included within the external auditor's report.

Consultees

14. None.

Appendices

Appendix A Audit Progress Report and Sector Update

Background papers

None identified.