

<b>COUNCIL</b>	<b>DATE</b> 24 February 2022	<b>ITEM NO</b> 11
<b>TITLE</b> Annual Audit Letter	<b>WARD(S)</b> All	
<b>CHIEF OFFICER</b> Director of Finance	<b>CABINET MEMBER</b> Finance and Resources	
<b>DECISION CLASSIFICATION</b> Non-exempt report Non exempt appendices	<b>IS THE FINAL DECISION ON THE RECOMMENDATION(S) IN THIS REPORT TO BE MADE AT THIS MEETING?</b>  Yes	

## 1. **Decisions Required**

This report makes the following recommendations to the decision maker:

- 1.1 To note the 2020/21 Annual Audit Letter.
- 1.2 To note that the 2020/21 Annual Audit Letter is scheduled to be considered at the meeting of Audit & Risk Management on 23 February 2022.

## 2. **Links to the Royal Greenwich Strategy**

- 2.1 This report relates to the delivery of all of the high-level objectives contained within the Royal Greenwich Strategy. A robust external audit opinion and transparent local authority financial reporting and governance arrangements are key to delivering value for money for taxpayers, and for sustaining public confidence in our systems of local democracy.

## 3. **Purpose of Report and Executive Summary**

- 3.1 The National Audit Office's (NAO) Code of Audit Practice requires external auditors to prepare an annual audit letter and issue it to each audited body – the Council's external auditor is Grant Thornton.
- 3.2 The purpose of preparing and issuing annual audit letters is to communicate to the audited body and key external stakeholders, including members of the public, the key issues arising from auditors' work, which auditors consider should be brought to the attention of the audited body.

#### **4. Introduction and Background**

- 4.1 The council was one of the 9% of councils that prepared its draft accounts, approved its accounts and had an opinion issued within the statutory timeframe (i.e. overwhelmingly, councils did not approve their accounts within the statutory deadline) and is now one of the first to receive an annual audit letter for 2020/21, utilising a new reporting framework from the NAO.
- 4.2 The auditor is no longer required to give a binary qualified / unqualified WfM conclusion – instead auditors report in more detail on the authority’s overall arrangements, as well as any key recommendations on any significant weaknesses in arrangements identified during the audit.
- 4.3 The report highlights ***no risk of significant weakness in any of the areas reviewed and therefore makes no key recommendations***. Some areas which may enhance or improve arrangements already in place are identified and presented.
- 4.4 The 2020/21 annual audit report from Grant Thornton is attached at Appendix A and summarises the key issues over the last financial year. As part of their work, Grant Thornton considered whether there were any risks of significant weaknesses to the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources focussing on:
- Financial Sustainability
  - Governance
  - Improving economy, efficiency and effectiveness.
- 4.5 The external auditor has been invited to attend the meeting in order to present the letter and respond to Members questions.

#### **5. Available Options**

- 5.1 Options available are:
- to note and comment upon the 2020/21 Annual Audit Letter.
  - not to note and comment upon the 2020/21 Annual Audit Letter.

#### **6. Preferred Option**

- 6.1 To note and comment upon the 2020/21 Annual Audit Letter.

## 7. Reasons for Recommendations

7.1 The National Audit Office's Code of Audit Practice requires external auditors to prepare an annual audit letter and issue it to each audited body.

## 8. Cross Cutting Issues and Implications

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Legal</b> including Human Rights Act	The Terms of Reference of the Audit and Risk Management Panel require the Panel to provide an independent assurance of the risk management framework and the associated control environment. Council should note the comments of the Panel.	Azuka Onuorah Head of Legal Services 15 <sup>th</sup> February 2022
<b>Finance</b> and other resources	This report is authored by the Director of Finance and there are no other financial implications arising.	Michael Bate, Assistant Director of Corporate Finance, 14 February 2022
<b>Equalities</b>	<p>Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.</p> <p>The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users. In addition, given the nature of the report the decision required this report makes no direct contribution to the Council's Equality and Equity Charter and the Council's Equality Objectives 2020-2024.</p>	Michael Bate, Assistant Director of Corporate Finance, 14 February 2022

<b>Climate change</b>	This report does not make any direct contribution to the Greenwich Carbon Neutral Plan agreed by Cabinet 18 November 2020	Michael Bate, Assistant Director of Corporate Finance, 14 February 2022
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## **12. Report Appendices**

12.1 The following documents are published with and form part of the report:

App A Auditor's Annual Report of the Royal Borough of Greenwich

## **13. Background Papers:**

None

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