

<b>COUNCIL</b>	<b>DATE</b> 24 July 2023	<b>ITEM NO</b> 12
<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-key Non-exempt report Non-exempt appendices	<b>IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING?</b>	

## **1.0 Decisions Required**

This report makes the following recommendations to the decision maker:

- 1.1 To note and comment upon the 2022/23 Annual Audit Letter.

## **2.0 Links to Our Greenwich Missions**

- 2.1 This report relates to the Council's agreed missions as follows:

- Our Council works in the most efficient and effective ways possible.

Effective financial management ensures resources are used efficiently, effectively and economically and helps to facilitate the running of Council services.

- 2.1 This report relates to the Greenwich Statement of Accounts to the delivery of the high-level objectives contained within the Royal Greenwich Strategy

### **3.0 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.

### **4.0 Introduction and Background**

- 4.1 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.
- 4.2 The report has highlights two significant weaknesses and makes two key recommendations. The report also includes the Councils comments for both key recommendations. Some areas which may enhance or improve arrangements already in place are identified and presented.
- 4.3 The 2022/23 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.
- 4.4 The production of the 2022/23 Annual Audit Letter is later than previous years primarily due to national delays in the preparation of the Statement of Accounts for that period. The external auditor has been invited to attend the meeting in order to present the letter and respond to Members questions
- 4.5 This is the last report to be prepared by Grant Thornton, with the councils external auditor changing to Forvis Mazars from 2023/24.

## 5.0 **Available Options**

5.1 Options available are:

- to note and comment upon the 2022/23 Annual Audit Letter.
- not to note and comment upon the 2022/23 Annual Audit Letter.

## 6.0 **Preferred Option**

6.1 To note and comment upon the 2022/23 Annual Audit Letter.

## 7.0 **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.

## 8.0 **Consultation**

8.1 No consultation was required and none has been undertaken.

## 8.0 **Cross Cutting Issues and Implications**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Legal</b> including Human Rights Act	<p>The basic requirement for the Council to prepare accounts is set out in section 3 of the Local Audit and Accountability Act 2014. The detailed requirements are set out in the Accounts and Audit Regulations 2015.</p> <p>Part 3 Responsibility for Functions of the Councils' Constitution provides that the Audit and Risk Management Panel is responsible for the provision of independent assurance of the adequacy of the risk management framework and the associated control environment.</p>	Azuka Onuorah Head of Legal Services 12th July 2024

	<p>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. Noting and commenting upon the Annual Audit Letter before it is considered by Full Council is an important part of this assurance.</p>	
<p><b>Finance</b> and other resources</p>	<p>This report is authored by the Director of Finance and there are no other financial implications arising.</p>	<p>Hitesh Jolapara Interim Assistant Director of Finance &amp; Deputy s151 Officer 10 July 2023</p>
<p><b>Equalities</b></p>	<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>	<p>Hitesh Jolapara Interim Assistant Director of Finance &amp; Deputy s151 Officer 10 July 2023</p>

<b>Climate change</b>	This report does not make any direct contribution to the Greenwich Carbon Neutral Plan agreed by Cabinet 18 November 2020	Hitesh Jolapara Interim Assistant Director of Finance & Deputy s151 Officer 10 July 2023
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## 12.0 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:**

13.1 None

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