



Governance Scrutiny Group

Thursday, 19 September 2024

Audit Completion Report 2023/24

Report of the Director – Finance and Corporate Services

1. Purpose of report

- 1.1. This report presents the attached Audit Completion Report (Appendix A) and Management Representation Letter (Appendix B). This document reports to those charged with Governance the key conclusions in the audit process for the 2023/24 financial year and also comments upon the Statement of Accounts and their quality.
- 1.2. Forvis Mazars have substantially completed the audit in respect of the financial statements for the year ended 31 March 2024 and on this same agenda, Forvis Mazars present their draft Annual Audit Report and Value for Money conclusion. Matters which remain outstanding are outlined in section two of the Audit Completion Report although these are not expected to require modification of the audit opinion. Forvis Mazars will provide a verbal update in relation to these at the scrutiny meeting and where necessary by a follow up letter to this Group.

2. Recommendation

It is RECOMMENDED that the Governance Scrutiny Group:

- a) Approve the findings of Forvis Mazars Audit Completion Report **(Appendix A)**
- b) Approve the Management Representation Letter **(Appendix B)**.

3. Reasons for Recommendation

- 3.1. To ensure that due regard has been given to issues and concerns raised by the Council's external auditors; and to demonstrate compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ('the Code') and various other legislation such as the Accounts and Audit Regulations (2015).

4. Supporting Information

- 4.1. The Audit Completion Report is attached at Appendix A, the Management Representation Letter at Appendix B.

- 4.2. Section 4 details significant findings and risks addressed. Discussions were held with management on the Council's financial position and budget setting process in order to determine the Council's going concern status; Diversified/pooled investments and potential impact on the accounts (Reserves of £1.173m to mitigate this risk have previously been reported); Accruals for part-year payments and setting a de-minimus level for consistency; Treatment of long and short term creditors and debtors in the notes to the accounts relating to long-term contracts. These have been corrected in the final Statement of Accounts. Forvis Mazars have not identified any other significant issues during the audit.
- 4.3. Section 5 covers internal control recommendations. Page 18-21 detail internal control deficiencies identified during the audit. Forvis Mazars have not identified any significant deficiencies in the Council's internal controls.
- 4.4. Section 6 (page 23) of the Audit Completion Report identifies an unadjusted misstatement totalling £164k. However, it should be noted that whilst this figure includes £164k of 'expenditure recognised as a full year rather than 8 months' the true value of this error is £6k. The £164k is an extrapolated figure based on the £6k identified error and the sample size of the testing. Forvis Mazars will explain this further at the scrutiny meeting. There were a number of minor adjusted misstatements and disclosure amendments made and these are detailed on pages 24 and 25.
- 4.5. Section 7 of the report refers to the Value for Money process. This work is now complete and Forvis Mazars have not identified any significant weaknesses in arrangements. Commentary is provided in the Annual Audit Report.
- 4.6. The Council thanks Forvis Mazars for their work in completing the audit this far and acknowledges the challenging audit environment. In July 2024, in recognition of the challenges faced by internal audit, MHCLG announced plans to address the local audit backlog with extended publication dates, a series of backstop dates and disclaimed opinions. Creditably and unlike many other local authorities the Council is up to date with its audit sign off. The MHCLG measures should relieve some of the pressures across the sector and hopefully ensure future Rushcliffe audits remain on track.
- 4.7. Appendix B details the management representation letter. This letter confirms for the auditors that the Council is satisfied with the validity of the financial statements provided by the Authority to Forvis Mazars. If agreed, this letter will be signed at the conclusion of the meeting.

5. Risks and Uncertainties

- 5.1. There are no issues arising from this report.

6. Implications

6.1. Financial Implications

The fees for the audit of the Statement of Accounts are covered by existing budgets.

6.2. Legal Implications

There are no legal implications arising from the recommendations of this report.

6.3. Equalities Implications

There are no equalities implications connected to the recommendations of this report.

6.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no Section 17 implications connected to the recommendations of this report.

6.5. Biodiversity Net Gain Implications

There are no Biodiversity Net Gain implications connected to the recommendations of this report.

7. Link to Corporate Priorities

Quality of Life	The Council's financial statements and financial information impacts upon all Council Corporate Priorities.
Efficient Services	
Sustainable Growth	
The Environment	

8. Recommendations

It is RECOMMENDED that the Governance Scrutiny Group:

- a) Approve the findings of Forvis Mazars Audit Completion Report (**Appendix A**)
- b) Approve the Management Representation Letter (**Appendix B**).

For more information contact:	Peter Linfield Executive Manager - Finance and Corporate Services Tel: 0115 9148439 plinfield@rushcliffe.gov.uk
Background papers available for Inspection:	Statement of Accounts 2023/24
List of appendices:	Appendix A – Forvis Mazars Audit Completion

	Report 2023/24 Appendix B – The Management Representation Letter 2023/24
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