



Audit & Governance Committee  
28 November 2022

## External Audit Progress Report 2021/22

### Purpose of the report:

To present to the Audit and Governance Committee an update by the Council's External Auditor, Grant Thornton, on the status of the external audit for 2021/22.

### Recommendations:

It is recommended that:

1. Audit & Governance Committee note the Grant Thornton Audit external audit progress report.

### Introduction:

2. The Accounts and Audit (Amendment) Regulations 2021 state that the draft accounts must be published by 31 July 2022.
3. In December 2021, Department for Levelling Up, Housing and Communities (DLUHC) extended the audit completion date for the 2021/22 accounts to 30 November 2022 as one of the measures introduced to support the improved timeliness of local audit.
4. There have been many challenges facing the audit sector and these continue to create a significant burden on both auditors and finance staff. Only 9% of English authorities had their 2020/21 accounts signed off by the November 2021 deadline. The emerging Infrastructure Assets issue may mean that this figure will be even lower for the 2021/22 accounts.
5. Since the Audit and Governance Committee reviewed the draft statement of accounts at its meeting on 18 July 2022, the Council's external auditors Grant Thornton UK LLP have been undertaking their external audit of the Council, Pension Fund and Group accounts. At this time the audit is incomplete and therefore are not being presented to this

committee as originally planned. Annex 1 sets out a progress report and details a planned timeline for completion.

6. Grant Thornton is aiming to complete the audits by the end of December 2022. As outlined in the progress report, this timing is subject to DLUHC issuing a statutory override to Local Authority Capital Finance and Accounting Regulations to change reporting requirements on Infrastructure Assets. This issue impacts most, if not all, local authorities who hold infrastructure assets, and remains a national issue adding to existing delays to final opinions being issued. At the time of writing, this statutory override is expected to pass through Parliament in December 2022.

#### **Conclusions:**

7. Grant Thornton is hoping to issue audit opinions on both the main accounts and the pension fund, subject to the infrastructure asset override and the conclusion of the external audit in December 2022 and present their final Auditor's Annual Report to Audit and Governance Committee in January 2023.

#### **Financial and value for money implications**

8. There are no financial or value for money implications of this report. The Draft Statement of Accounts includes a Narrative Statement which sets out the key elements of the Statement of Accounts.

#### **Equalities and Diversity Implications**

9. There are no direct equalities implications of this report.

#### **Risk Management Implications**

10. There are no direct risk management implications of this report. The Council's approach to risk management is summarised in the Narrative Statement.

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