

Audit & Governance Committee  
20 November 2024

**External Audit Progress Report**

**Purpose of the report:**

To update the Audit & Governance Committee on the progress of the external audit of both the County Council's and the Surrey Pension Fund's Statement of Accounts for 2023/24.

**Recommendations:**

It is recommended that the Committee:

Note the progress reports from EY (attached as Annexes 1 & 2).

**Introduction:**

1. The Draft Statement of Accounts for 2023/24 for Surrey County Council, and Surrey Pension Fund were published on 4 July 2024. The Council's external auditors, Ernst & Young (EY), commenced the audit in June 2024.
2. The accounts for both Surrey County Council and Surrey Pension Fund are the first set of annual accounts being produced from the new accounting system and are the first sets of accounts of the authority that EY have audited, following their appointment as the Council's auditors on 1 April 2023.
3. Whilst good progress has been made, the external audit of the 2023/24 accounts is ongoing. This report provides an update on progress to the Audit & Governance Committee (Annexes 1 & 2).
4. The progress report for Surrey County Council (Annex 1) outlines progress to date and also sets out the outcomes of the Value for Money (VFM) work. No risks of significant weakness have been identified. The draft VFM commentary is in Section 3 of Annex 1.
5. The progress report for Surrey Pension Fund (Annex 2) outlines progress to date and confirms EY is working to complete all field work by the end of November.

**Conclusions:**

6. The committee is asked to note the progress update provided by EY and the target date of January 2025 for the Final Audit Findings Report to be presented to this Committee.

**Financial and value for money implications:**

7. All financial implications in the accounts have been made in line with the Code of Practice and any impact on the Council's 2024/25 budget was contained in the outturn report to Cabinet.

**Equalities and Diversity Implications:**

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

**Risk Management Implications:**

9. Risk management implications are included in the Draft Statement of Accounts and areas of identified audit risk are set out in the Annexes.

**Legal Implications – Monitoring Officer:**

10. Section 151 of the Local Government Act 1972 provides that 'every local authority shall make arrangements for the proper administration of their financial affairs and shall ensure that one of their officers has responsibility for the administration of those affairs.'
11. The proper administration of the Council's financial affairs includes the obligation on the Council to have its accounts audited in accordance with the Audit Commission Act 1998.
12. The Council's Constitution delegated responsibility for external audit matters to the Audit and Governance Committee, including supporting the independent of external audit, considering reports from the Council's external auditors, and commenting on the scope and depth of external audit work to ensure it gives value for money.
13. Consideration of this report by the Audit and Governance Committee is in pursuance of the above mentioned obligations and is part of the Council's fulfilment of its duties.

**Next steps:**

14. The external audit is due to complete in December 2024 with the audited statement of accounts and audit findings report scheduled to be presented to this committee in January 2025.

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**Annexes/Appendices:**

- Annex 1 – Surrey County Council – Progress report November 2023/24
  - Annex 2 – Surrey Pension Fund – Progress report November 2023/24
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