

# Brighton & Hove City Council

## Audit & Standards Committee

## Agenda Item 51

**Subject:** External Audit Plan and Informing the Audit Risk Assessment 2021/22

**Date of meeting:** 19 April 2022

**Report of:** Grant Thornton UK LLP (External Audit)

**Contact Officer:** Name: Andy Conlan (Grant Thornton)  
Tel: +44 (0)20 7728 2492  
Email: andy.n.conlan@uk.gt.com

**Ward(s) affected:** All

For general release

### 1. Purpose of the report and policy context

#### Appendix 1: External Audit Plan 2021/22

1.1 The council's external auditor, Grant Thornton, have produced their audit plan which sets out an overview of the planning scope and timing of the council's statutory external audit for the financial year ending 31 March 2022. The audit plan ("Brighton and Hove City Council audit plan Year ending 31 March 2022") is attached at **Appendix 1**. The audit plan sets out, for example, the significant risks identified ahead of the main audit work, levels of materiality for the financial statements, and the proposed audit fees for 2021/22.

1.2 As set out in Appendix 1, the external auditors are responsible for forming and expressing an opinion on the council's financial statements and for considering whether there are sufficient arrangements in place at the council for securing economy, efficiency and effectiveness in its use of resources (Value for Money arrangements).

#### Appendix 2: Informing the Audit Risk Assessment 2021/22

1.3 Informing the audit risk assessment is an external audit related review (introduced by Grant Thornton last year as part of the 2020/21 audit in response to revised financial reporting standards) which is completed by the council's management ahead of the main audit. The completed document ("Informing the audit risk assessment for Brighton and Hove City Council 2021/22") is attached at **Appendix 2**.

1.4 The purpose of the document is "*to contribute towards the effective two-way communication between Brighton & Hove City Council's appointed*

*external auditors and Brighton & Hove City Council's Audit Committee*". The report sets out audit queries and the associated management responses providing assurance regarding arrangements covering fraud, laws and regulations, related parties, going concern and accounting estimates.

## **2. Recommendations**

- 2.1 That the Audit & Standards Committee considers the documents and notifies the external auditors if there are any additional matters that it considers may also impact on the planned audit work and context for the financial year ending 31 March 2022.
- 2.2 That Committee notes both the External Audit Plan and responses to Informing the Audit Risk Assessment for 2021/22.

## **3. Context and background information**

- 3.1 This is set out in summary section 1 of this report and in detail in Appendices 1 and 2. External audit is a statutory requirement for local authorities.

## **4. Analysis and consideration of alternative options**

- 4.1 Not applicable.

## **5. Community engagement and consultation**

- 5.1 Local authority accounts are placed on public inspection for a statutory period (1 month) each year and members of the public are able to ask questions of both the local authority and the external auditor. Members of the public also have the ability to raise an 'objection to the accounts' which will be considered by the External Auditor.

## **6. Conclusion**

- 6.1 This report and appendices are for noting unless the Audit & Standards Committee has additional issues to raise (as set out under section 2 Recommendations).

## **7. Financial implications**

- 7.1 The proposed audit fee (subject to review and approval by the Public Sector Audit Appointments, PSAA) will potentially be increased by £7,000 for the 2021/22 financial year (increasing from £187,084 to £194,084). This will be funded from within existing revenue budgets if it materializes.

Finance officer consulted: James Hengeveld    Date consulted: 06/04/2022

## **8. Legal implications**

- 8.1 The Accounts and Audit Regulation 2015 (as amended) made under the Local Audit and Accountability Act 2014 states that the council's statement of accounts must be approved by members. The council's Constitution

delegates responsibility for that function to the Audit & Standards Committee. Review of these documents forms part of that responsibility.

Lawyer consulted: Victoria Simpson      Date consulted: 06/04/2022

**9. Equalities implications**

9.1 There are none identified.

**10. Sustainability implications**

10.1 There are none identified.

**11. Other Implications**

11.1 There are none identified.

**Supporting Documentation**

**Appendices**

1. Brighton & Hove City Council Audit Plan year-ending 31 March 2022
2. Informing the Audit Risk Assessment for Brighton & Hove City Council 2021/22

