



Report to the Standards and Audit Committee

# THURROCK COUNCIL

Audit Progress: year ended 31 March 2021

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## Audit Update

In the progress report I issued in February 2022, I detailed that the 2021 audit has been challenging to deliver, with issues including limited early procedures, staff sickness absence, the longer-term impacts of Covid-19 and remote working, and several accounting estimates requiring significant management judgement. All of which require more detailed consideration in light of revised auditing standards and regulator focus. I also commented that Council officers have, throughout, provided good quality working papers and support to the team. Following on from this progress report I wanted to update the committee on the current proposal to progress the 2020/21 audit.

We have identified a member of the team who will take over the day-to-day management of the audit and oversee the review and completion of the audit procedures. The work will start in July with a view to be completed by end of September and reported to the October 2022 Committee. This timeline has been set to factor in the new team and allow time for them to get up to speed with Thurrock and the progress of the audit procedures, it also allows for annual leave commitments.

During the spring there has also been an urgent consultation on temporary proposals to update the Code of Practice on Local Authority Accounting in the United Kingdom for infrastructure assets and as a result authorities with material infrastructure assets were unable to conclude their audits. The consultation closed on 14 June 2022 which will enable the proposed responses to be actioned within this timeframe.

As I have previously mentioned I have received an objection to the financial statements which will need to be finalised before I can issue the audit opinion and should be also achieved within this timescale.

Rachel Brittain

22 June 2022

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# AUDIT SECTOR DEVELOPMENTS

## Audit Sector developments

The sector has seen a number of pressures arising since the faster close agenda brought the reporting deadline forward for the 31 March 2019 period to 31 July 2019. Only 60% of local government bodies were able to publish audited accounts by this deadline. By exception, there remain a number of 2018/19 audits outstanding to date.

The 31 March 2020 publication deadline, initially pushed back to end September 2020 from July 2020, was then further extended to 30 November 2020. However, only 45% of local government bodies were able to publish audited accounts by this extended deadline, with even traditionally better performing authorities close to or at the deadline date.

Recruitment and retention of staff, reduction of fees and increased regulatory requirements have continued to add to this pressure sector wide. It has been widely recognised that the audit sector, and public sector audit specifically, requires reform to enable it to remain sustainable. The Redman review specifically focuses on recommendations to help achieve this in the longer term.

Alongside these already present pressures, a global pandemic manifested additional impacts and pressure. New challenges of remote working, onboarding and training new staff remotely, communication, IT support and illness within the team directly impacting efficiency and delivery.

The 31 March 2021 publication deadline was set at end September 2021. Audit firms and audit regulation bodies did feedback that this was not realistically achievable. Only 9% of 2021 audits were completed by 30 September 2021, with 20% by 30 November 2021, 40% by 31 December 2021 and 50% by April 2022.





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