

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 11 March 2024

Report of: Chief Executive Officer

Subject: EXTERNAL AUDIT – AUDIT UPDATE

SUMMARY

The Committee is asked to consider the External Auditor's Audit Update Report, summarising the proposals for the delivery of the audits of the 2022/23 and 2023/24 accounts.

A national consultation has been launched by the Department of Levelling Up, Housing and Communities on proposals to tackle the current audit backlog across the country consisting of 3 phases: Reset, Recovery and Reform. This closes on 7th March 2024.

The External Auditor for Fareham Borough Council currently proposes to:

- a) Limit the scope of coverage for 2022/23, to the Value for Money work already completed. This will result in a disclaimer being given for the 2022/23 accounts.
- b) Concentrate resources this year on the 2023/24 accounts to deliver the opinion by November 2024. This opinion will also be subject to a disclaimer due to the reduced coverage of the 2022/23 brought forward balances.

This approach is allowable under the consultation proposals, although later timescales are also permissible for the 2022/23 accounts (September 2024) and the 2023/24 accounts (May 2025).

RECOMMENDATION

It is RECOMMENDED that the Audit and Governance Committee notes the contents of the Audit update report.

Background Paper and Reference Papers: None

Appendices: -

- **Appendix A** - Letter to authorities from Simon Hoare , Minister for Local Government 8 February 2024
- **Appendix B** – Local Audit Delays, Joint Statement on update to proposals to clear the backlog and embed timely audit
- **Appendix C** – External audit – audit update report (Ernst and Young)

Enquiries: For further information on this report please contact Elaine Hammell. (Ext 4344)