

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 25 November 2024

Report of: Assistant Director (Finance & ICT)

Subject: EXTERNAL AUDITOR'S COMPLETION REPORT 2022/23

SUMMARY

The Committee is asked to consider the External Auditor's Completion Report (Appendix A) covering their approach and outcome of the 2022/23 audit.

Members will be aware that there is a significant backlog in Local Government audit coverage and work has not been completed by the statutory deadline for the majority of Council accounts for 2022/23. There has been considerable national activity by the Government and other organisations to address this situation. This has resulted in the Accounts and Audit (Amendment) Regulations 2024 which impose a backstop date of 13 December 2024 for auditors to complete work on the financial statements for 2022/23.

The Council's External Auditors, Ernst and Young LLP, have determined that due to the backstop date and the wider requirements of the local audit system reset, they have not had the required resources available to fully complete the detailed audit procedures needed to issue an unmodified audit report. Therefore, as expected and allowable under the Regulations, they will be disclaiming their opinion on the financial statements and only issuing a 'completion' audit report. This is the approach they are taking with the majority of their clients for their 2022/23 Statements of Accounts.

Having considered the findings of the Completion Report, a "Management Representation" letter will be sent from the Chief Executive Officer and the Chairman of the Audit and Governance Committee to the External Auditor. This will enable the External Auditor to issue their opinion on the Council's financial statements for 2022/23 and for the Statement of Accounts to be published.

RECOMMENDATION

It is RECOMMENDED that: -

- (a) the Audit and Governance Committee notes the contents of the External Auditor's Completion Report 2022/23 (Appendix A); and
- (b) the Chief Executive Officer and the Chairman of the Audit and Governance Committee sign the Management Representation letter.

Appendices: Appendix A – Fareham Borough Council Completion Report for Those Charged with Governance, Year ended 31 March 2023

Background Papers: None

Reference Papers: [Statutory Instrument \(2024\) No. 907 - The Accounts and Audit \(Amendment\) Regulations 2024](#)

Enquiries:

For further information on this report please contact Elaine Hammell, Assistant Director (Finance and ICT) (Tel: 01329 824344)