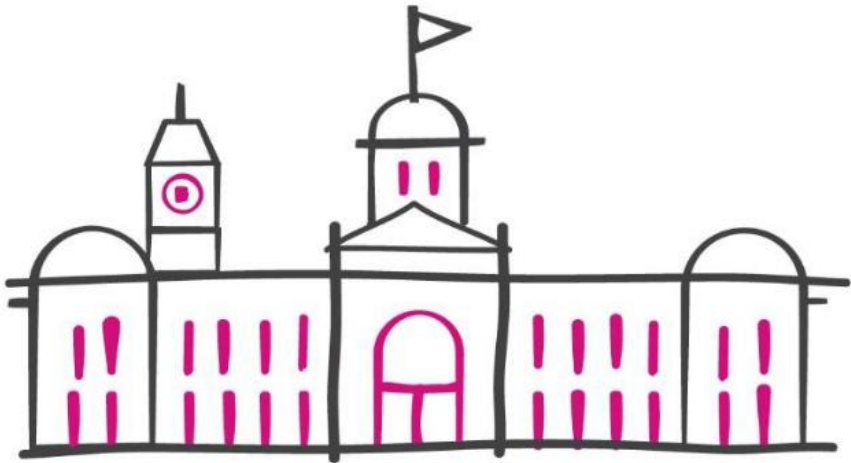


Audit Committee – 24 April 2024

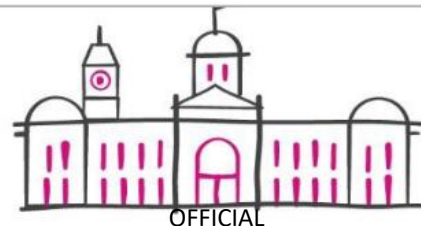
Response to External Auditor presentation



1. 2020/21 and 2021/22 Audits (1/2)

The financial statements for the years ending 31 March 2021 and 31 March 2022 both remain open. The Council continues to work to accelerate the resolution of outstanding items which have been raised during the 2023/24 financial year. There is a substantial volume of additional information which is thorough and being worked through by the Council, as outlined below. Substantially all the outstanding points below were raised in 2023/24 following the events that came to light in-year.

Issue	April Update
Equal Pay Provision	The Council are providing updates on the key judgements and assumptions received from external experts during the development of the model in relation to Equal Pay. This information is being shared with Grant Thornton in order to seek external expert opinions.
Oracle Impairment Assessment	The Council are gathering information on a new request for 2022/23 data following sharing a revised paper in March 2024.
Actuarial Valuation under IAS 19	The IAS19 actuarial work is based on the agreement and completion of Equal Pay figures, and is a sequential item following resolution of Equal Pay provision testing above.
Property Valuations (2021/22)	<i>Complete – No further Officer actions.</i>
Capitalisation	No issues identified to date, and a handful of follow up queries are being responded to.
Housing Revenue Account	No issues identified to date, further evidence is being provided, and queries are being responded to.
Grants	No issues identified to date, further evidence is being provided, and queries are being responded to.



1. 2020/21 and 2021/22 Audits (2/2)

Issue	April Update
Land and Property Sales	<i>Complete – No further Council actions.</i>
Highways PFI	No issues identified to date, further evidence is being provided, and queries are being responded to.
Regulator of Social Housing	Pending feedback from Grant Thornton review.
Related Parties	No issues identified to date, further evidence is being provided, and queries are being responded to.
Management override of Control	No issues identified to date, further evidence is being provided, and queries are being responded to.
AGS Update	Draft AGS reports for 2020/21 and 2021/22 were developed at a point in time. Due to the changes since the creation of these draft documents, suitable addendums and covering documents will be developed to supplement these reports to provide the full context to the Council’s position. These additional statements will address outstanding open topics above, include Audit Committee feedback, and reflect the latest position at the time of signing off the 2020/21 and 2021/22 accounts.
Perry Barr	Further information is being gathered from the relevant teams to respond to these queries.



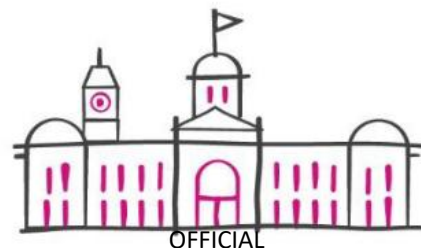
2. 2022/23 and 2023/24 Audits

An approach to the audit of 2022/23 and 2023/24 accounts is being developed in conjunction with the External Auditor, Finance Commissioner and DLUHC.

We are looking to answer the following questions:

- What can or cannot be done from a statutory perspective?
- What assurance do we want to achieve for these two years?
- How do we go about gaining that assurance?

Following resolution of these questions, a joint approach will be presented by Director of Finance and Section 151 Officer and External Audit on the Audit for 2022/23 and 2023/24.



3. Overarching VfM and Additional Powers

The Council continues to support a number of VfM studies including Equal Pay, Financial Sustainability, and Oracle. It is suggested that once the final reports are presented by External Audit, these are considered at Audit Committee alongside Management Responses.

