

Audit and Performance Committee Report

Date:	27 June 2022
Classification:	General Release
Title:	External Audit Update
Wards Affected:	All
Financial Summary:	Updates relating to the 2021/22 accounts – Audit Plan and Risk Assessments
Report of:	Gerald Almeroth, Executive Director of Finance and Resources

1. Executive Summary

- 1.1 Grant Thornton UK LLP is presenting a series of reports to the Committee. These reports are:
- Audit Plan for Westminster City Council 2021/22
 - Audit Plan for City of Westminster Pension Fund 2021/22
 - Informing the audit risk assessments for both Westminster City Council and City of Westminster Pension Fund 2021/22

2. Recommendations

- 2.1 That Audit and Performance Committee approves the 2021/22 audit plans for both Westminster City Council and its Pension Fund.
- 2.2 That Audit and Performance Committee considers the audit risk assessments for both Westminster City Council and its Pension Fund.

3. Background

- 3.1 Every year, the Council's external auditors, Grant Thornton, present their audit plan for the for the upcoming financial accounts audit. This audit plan reviews the accounts from 1 April 2021 to 31 March 2022.
- 3.2 The audit plan outlines the scope of the audit, including the group, any significant risks inherent in the audit, materiality, and value for money arrangements.

3.3 Alongside the audit plan sits the audit risk assessments for both sets of accounts. The purpose of these report is to contribute towards the effective two-way communication between Westminster City Council (WCC) external auditors and WCC Audit and Performance Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit and Performance Committee under auditing standards.

4. Implications

Financial Implications:

- 4.1. The PSAA sets the fee scale annually and publishes the scale fee for each individual audited body. If the auditor subsequently considers that additional work is required that is not provided for in the scale fee for an individual body, a fee variation proposal can be submitted to PSAA.
- 4.2. This is set out in the statutory framework for audit fees and variations, in the Local Audit (Appointing Person) Regulations 2015 ('the Regulations'). Regulation 17(2) provides for the auditor to propose to PSAA (as the Appointing Person) that fees should be varied where the work involved in a particular audit was substantially more or less than envisaged by the appropriate scale.
- 4.3. The scale fees for 2021/22 accounts are:

- Westminster City Council £147,004
- Pension Fund £16,170

Legal Implications:

- 4.4. None

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

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BACKGROUND PAPERS:

- Appendix 1: Audit Plan for Westminster City Council 2021/22
- Appendix 2: Audit Plan for City of Westminster Pension Fund 2021/22
- Appendix 3: Informing the audit risk assessment for Westminster City Council 2021/22
- Appendix 4: Informing the audit risk assessment for City of Westminster Pension Fund 2021/22