

# External audit: presentation to Full Council

## Barnsley Metropolitan Borough Council

23 November 2023



## Your external audit team

- Dedicated, local public sector team for Yorkshire clients
- External auditors to a number of local authorities and NHS bodies across Yorkshire
- Leading external audit provider to the public sector



**Thilina De Zoysa**  
**Engagement Senior**  
**Manager**



**Gareth Mills**  
**Engagement Lead,**  
**Key Audit Partner**



# Purpose of the session

**1** Overview of the role of External Audit

**2** Summary highlights of work performed in 2022-23:

- ✓ Accounts audit
- ✓ Use of Resources, Value for Money arrangements review to date



# What is the role of External Audit?



To provide independent assurance to those charged with governance (Full Council) by:

- ✓ giving an opinion on the Council's annual accounts
- ✓ 'true and fair' view of assets and liabilities at 31 March and financial performance in the year
- ✓ report on whether we are satisfied the Council has proper arrangements for the use of resources



To consider the use of our special reporting powers if any issues of significant concern:

- reports in the Public Interest
- responding to an Objection on the accounts



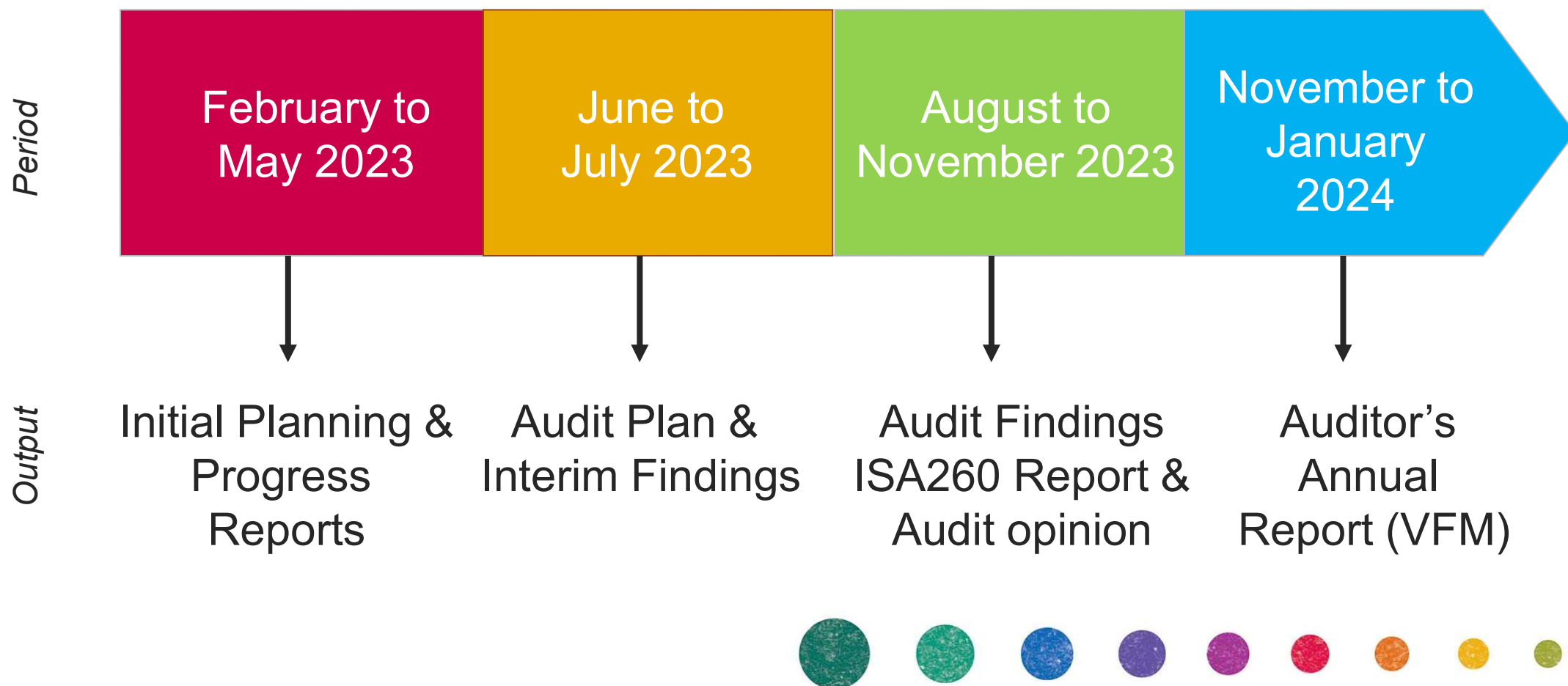
# What is the role of External Audit?



- ✓ To perform any work required by the NAO Code of Audit Practice and CIPFA Code of Practice
- ✓ review of your Annual Governance Statement and Narrative Report
- ✓ Focus on ensuring proper arrangements in place on key developments and areas of risk at the Council
- ✓ Reviewing your Whole of Government Accounts return
- ✓ Take into account other regulatory reports on the Council – eg on VFM work looking at CQC / Ofsted Reports on BMBC



# How do we perform our role? – a year round relationship



## What were our key findings in 2022-23 – accounts?

- **unqualified ‘clean’ audit opinion expected to be issued**
- BMBC one of c30% of authorities that presented draft a/cs by 31 May
- regular liaison with senior finance team and wider management
- good working papers provided & good engagement from Council staff
- no major weaknesses in financial systems
- **no audit adjustments impacting on useable reserves**
- high value adjustment on pensions (national issue & no impact on MTFS)
- small number of other audit adjustments & presentational amendments





## What were our key findings in 2022-23? – Value for Money

- review of the Council's arrangements in 3 areas:
  1. Financial sustainability
  2. Governance
  3. Improving economy, efficiency and effectiveness – “the 3Es”  
(service delivery, performance and outcomes)
- same timetable for 22-23 – completed within 3 months of a/cs sign off
- **no VFM issues preventing our signing of the 22-23 accounts**
- **no significant concerns in Council's immediate financial position**
- position is more challenging in medium/long term & national context





## What were our key findings in 2022-23? – Value for Money

- Ongoing work on the prior year significant weakness in arrangements:
  - Ofsted/CQC SEND review from November 2021 & WSOA
  - aware ongoing work done by the Council responding to above matters
  - judgement on work done to be given on completion of our work
- Area of focus - Dedicated Schools Grant (DSG) deficit:
  - DSG deficit a common challenge amongst a number of local authorities
  - Council successful with DfE 'Safety Valve' funding support of £22.9m
  - positive outcome for Council – but challenge after 26-27 if not balanced
- Our findings on the VFM audit will be included in our Auditor's Annual Report in January 2024



## Summary and Questions

- clean audit opinion expected to be issued shortly on 22-23 Accounts
- no material issues identified impacting on useable reserves
- good level of engagement from the Council throughout the year
- the Council is in a good financial position despite sector challenges
- VFM work is ongoing & we aim to finalise in January 2024
- key areas of focus will be on Council's response to SEND issues





© 2023 Grant Thornton UK LLP. All rights served.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International LTD (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL, and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

**[grant-thornton.co.uk](https://www.grant-thornton.co.uk)**