

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by Chief Officer - Resources**

**Audit Committee: 04 September 2024**

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**Subject: Forvis Mazars - 2023/24 Annual Audit Plan**

### **1. PURPOSE**

- 1.1** To present the Forvis Mazars Annual Audit Plan for the year ending March 2024 to Committee for information.

### **2. RECOMMENDATIONS**

- 2.1** Members are asked to note the 2023/24 Forvis Mazars Annual Audit Plan.

### **3. BACKGROUND**

- 3.1** Forvis Mazars (the Council's external auditors) have produced their 2023/24 Annual Audit Plan which provides an overview of their audit scope, approach, timescales, the significant risks they have identified through their audit planning process, the audit fee and describes the outputs the Council can expect to receive. The Annual Audit Plan is appended to this report for noting.

### **4. MAIN ISSUES**

- 4.1** Forvis Mazars are the Council's appointed external auditors with 2023/24 being the second year of their five year appointment. They have completed the audit planning phase of their audit approach and issued the Council's 2023/24 Annual Audit Plan.
- 4.2** Forvis Mazars's audit timeline is set out on page 12 of the Plan and indicates a targeted completion of the audit in January-February 2025. This will mean the Council will not be able to sign off the 2023/24 financial statements by the statutory deadline.

Similar to the delayed 2022/23 audit, an external audit process which is significantly delayed creates issues for the Council including capacity issues for officers, missing deadlines for other statutory returns, and reducing the time finance staff can commit to the annual budget process, budget monitoring and providing support to services. If the audit process is delayed beyond February 2025 this will create further pressures at year end when finance staff need to close the 2024/25 accounts.

### ***Audit of Financial Statements***

- 4.3** Page 15 of the Plan sets out the Council's group account components and the scope of work Forvis Mazars will perform in relation to the group components.
- 4.4** Pages 18-22 set out what Forvis Mazars have identified as the key risks that are relevant to the Council's financial statements and their planned response. There are three identified risks:
- Management override of controls
  - Valuation of Property, Plant and Equipment
  - Valuation of the net defined pension liability/surplus

It should be noted that these three risks will feature in the audit plans of most, if not all, local authorities).

### ***Wider Scope and Best Value Audit***

- 4.5** At least once every five years, the Controller of Audit will report to the Accounts Commission on the Council's performance in meeting its Best Value duties. The Council was included in the first year of the programme which ran from October 2023 to August 2024 and was subject to a specific report to Council.
- 4.6** The Code of Audit Practice also requires areas of significant audit risk to be considered as part of wider scope audit work. These are set out on pages 26-28 of the Audit Plan including the planned procedures Forvis Mazars intend to carry out as part of their audit work. They focus on:
- Financial sustainability
  - Leadership
  - Statutory Performance Indicator 2

### ***Audit Fee***

- 4.7** The 2023/24 audit fee is set out on page 30 of the Plan. They are set at £335,010 for the Council which is a £18,950 increase (6%) on the 2022/23 audit fee. Agreement is still required on the fee to audit the Council's charitable trusts (which is funded by the Council), it was £6,500 in 2022/23.
- 4.8** Representatives of the Forvis Mazars audit team will be in attendance at the Committee to present the report and answer any questions.

## **5. PEOPLE IMPLICATIONS**

- 5.1** There are no personnel issues.

## **6. FINANCIAL AND PROCUREMENT IMPLICATIONS**

**6.1** The total Council fee of £335,010 compares to £316,060 for 2022/23. The Trust Fund fee (still to be agreed) is also funded by the Council.

**6.2** There are no direct procurement implications arising from this report.

## **7. RISK ANALYSIS**

**7.1** Mazar's assessment of the risks facing the Council is detailed within their audit strategy memorandum. An additional internal risk assessment was not required.

## **8. EQUALITIES IMPACT ASSESSMENT (EIA)**

**8.1** There are no EIA issues.

## **9. CONSULTATION**

**9.1** The report has been subject to consultation with appropriate Chief Officers.

## **10. STRATEGIC ASSESSMENT**

**10.1** This report relates to all of the Council's Strategic Priorities.

Laurence Slavin  
Chief Officer - Resources  
Date: 15 August 2024

Person to Contact: Laurence Slavin, Chief Officer - Resources  
Email: [laurence.slavin@west-dunbarton.gov.uk](mailto:laurence.slavin@west-dunbarton.gov.uk)

### **Appendices:**

Appendix 1 – Forvis Mazars's 2023/24 Annual Audit Plan