

Sheffield City Council Audit and Standards Committee 21 October 2021 Audit Progress update

Overview

This brief paper seeks to update members of the Audit & Standards Committee on the progress of the audit of the 2020/21 Statement of Accounts.

Financial statements audit

In our audit planning report submitted to the Audit & Standards Committee in July 2021, we provided you with an overview of our audit scope and approach for the audit of the financial statements. To date we have not identified any changes to our audit scope and approach, or to the identified audit risks.

Due to unavoidable staff absences we were unable to commence our audit procedures in September as originally planned, with this being rescheduled to October. We continued to work collaboratively with management, and ensured that audit procedures continued in higher risk areas such as Property, Plant and Equipment, as well as sample selection.

We continue to aim to report our audit findings to the Audit & Standards Committee at the next meeting on 16 December 2021. However, there remains a significant amount of work to complete putting the achievement of reporting a complete set of findings to the meeting at risk.

We will continue to monitor this, providing regular updates to the finance team, and as necessary we will ensure this is communicated with the Chair.

Value for Money

In our audit planning report we identified that there have been changes to the Value for Money approach in 2020/21, and there will be the need for additional work. Whilst our risk assessment process was underway at the time of presenting the audit planning report, we identified and presented two potential risks of significant weaknesses. These related to financial sustainability and regeneration programmes.

We have since completed our risk assessment procedures and can confirm that these risks remain. For the regeneration programmes we have identified two sub-risks, the first being the governance arrangements for West Bar and the second being the ongoing decision making associated with the financial sustainability of Heart of the City.

Given the close links between financial sustainability and going concern we will consider the risks on the Council's medium-term financial position. We have been regularly liaising with management on the financial performance in the 2021/22 year to date and as part of our responsibilities will consider if there are any matters that we need to report.

This report is made solely to the Audit and Standards Committee and management of Sheffield City Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Standards Committee, and management of Sheffield City Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Standards Committee and management of Sheffield City Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

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