

Audit Progress Report

Rossendale Borough Council

Audit and Accounts Committee September 2023



Contents

- 1. Audit Progress
- 2. National publications
- 3. PSAA Audit Quality Feedback

01

Section 01:
Audit progress

1. Audit progress

Purpose of this report

This report provides the September 2023 Audit and Accounts Committee meeting with an update on progress, since we last reported to the Committee in July 2023 in delivering our responsibilities as your external auditors. It also includes, at Section 2, a summary of recent national reports and publications for your information.

2018/19 Audit

Financial Statements audit

At the July 2023 Committee we reported that the finance team had shifted their focus to produce the Council's unpublished financial statements for 2021/22 and 2022/23 which has resulted in us pausing our audit work for 2018/19. We are in regular contact with the Chief Finance Officer and will plan to recommence our audit of 2018/19 once all the outstanding accounts have been produced.

Value for Money arrangements

We have commenced our work on the Council's value for money arrangements and have requested initial information in order to progress this work. We are awaiting responses and will report back to future committee meetings with our reporting commentary and any recommendations.

At the time of writing the Council have yet to publish its statements of accounts for 2021/22 and 2022/23. The Council now has a plan to publish these by the end of September 2023. We will continue to monitor the Council's progress and will take this into consideration when reporting the outcome of our value for money arrangements work.

02

Section 02: **National Publications**

NATIONAL PUBLICATIONS

	Publication/update	Key points
1	Public Interest Report – Croydon Council	Following the publication of a public interest report in October 2020, Croydon Council commissioned local government expert Richard Penn, through the Local Government Association to compile an independent report on the issues at the council.
2	Local authority administered COVID support schemes in England	This reports evaluate government’s approach in relation to distribution of grants through local authorities, highlight failures and provide recommendation for better management of government grants.

NATIONAL PUBLICATIONS

Public Interest Report

1. Croydon Council Public Interest Report – February 2023

Following the publication of a public interest report in October 2020, Croydon Council commissioned local government expert Richard Penn, through the Local Government Association to compile an independent report on the issues at the council. His report, completed in March 2021, but only just published in February 2023 found that the dysfunctional leadership and poor governance arrangements contributed to the authority's financial collapse.

Fairfield Hall is an arts, entertainment and conference centre situated in Croydon. Refurbishment of this building was agreed by Croydon Council and work was undertaken between June 2016 and September 2019. It was delivered late and cost substantially more than the original £30m budget agreed by cabinet. Originally a Value for Money review, this became a Report in the Public Interest by their Internal Auditors Grant Thornton which highlighted failings of financial control and governance of this project.

The report found that the 'governance gaps' at the time 'prevented scrutiny and challenge that may have allowed corrective action to have been taken.' The report found that the statutory officers and chief officers throughout the time of the refurbishment failed to fulfil their statutory duties. All have since left the council. An action plan will be put in place to address the recommendations arising from this report.

This has led the Council putting in place new measures to address the findings. The Council has overhauled and strengthened its financial, legal, decision-making and other governance processes, and through its Croydon Renewal Plan is creating a new culture of good decision-making, transparency, accountability, and value for money.

It also led the council to undertake an external independent review of its companies and company structures. Following that review, the council's intention is to wind down its development company Brick by Brick once it has completed its outstanding building work. The Fairfield Halls refurbishment contracts were taken back under direct Council control. The full report, which includes a number of lessons that other Councils can learn from, can be seen here:

<https://www.croydon.gov.uk/council-and-elections/budgets-and-spending/reports-and-reviews/report-public-interest-fairfield-halls>

NATIONAL PUBLICATIONS

Public Interest Report

2. Local authority administered COVID support schemes in England

The government introduced a series of grant schemes to help businesses deal with the impacts of the COVID-19 pandemic on their businesses, including the effects of restrictions put in place to protect public health. Using funding from government, local authorities in England distributed £22.6 billion in grants to local businesses between March 2020 and March 2022. There were eight separate schemes that can be grouped into three separate 'cohorts', primarily corresponding to significant waves of COVID-19 restrictions.

HM Treasury decided the key features of each of the schemes, including the types of businesses they should cover and the level of funding available, and the Department for Business, Energy and Industrial Strategy (BEIS) was responsible for their implementation. The Department for Business and Trade (DBT) is now accountable for this funding, including the recovery of money paid out as a result of error or fraud.

The creation and delivery of these grant schemes was a partnership between local authorities and central government. Local authorities were responsible for identifying eligible businesses in their areas and paying grants to them, making 4.5 million payments over the course of the pandemic. BEIS created the detailed guidance for the schemes and oversaw their implementation by local authorities.

The full report, which includes a number of recommendations and conclusions, can be seen here:

<https://committees.parliament.uk/publications/41164/documents/202555/default/>

03

Section 03:

PSAA Audit Quality Feedback

PSAA quality of audit services feedback survey

In August 2023 Public Sector Auditor Appointments Ltd (PSAA) published its fourth annual report on feedback from Finance Directors and Audit Committee Chairs of local authorities on their satisfaction with the audit services provided by local auditors. The feedback was obtained in March 2023 and relates to audit work delivered during 2022. In that year, Mazars was one of five firms delivering local audits to local authorities in England.

This feedback provides the Audit Committee with an independent view on the client service that the Mazars Public Sector Audit team provides in delivering audits under the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

The overall response rate from the Finance Directors was 47 per cent (220/467) and from Audit Committee Chairs, 30 per cent (142/467).

You can view the full PSAA report at [PSAA-Quality-of-Audit-Services-2021-22-feedback-survey.pdf](#)

We include on the next slides 4 key focus areas from the report.



PSAA quality of audit services feedback survey

Research Report
March 2023

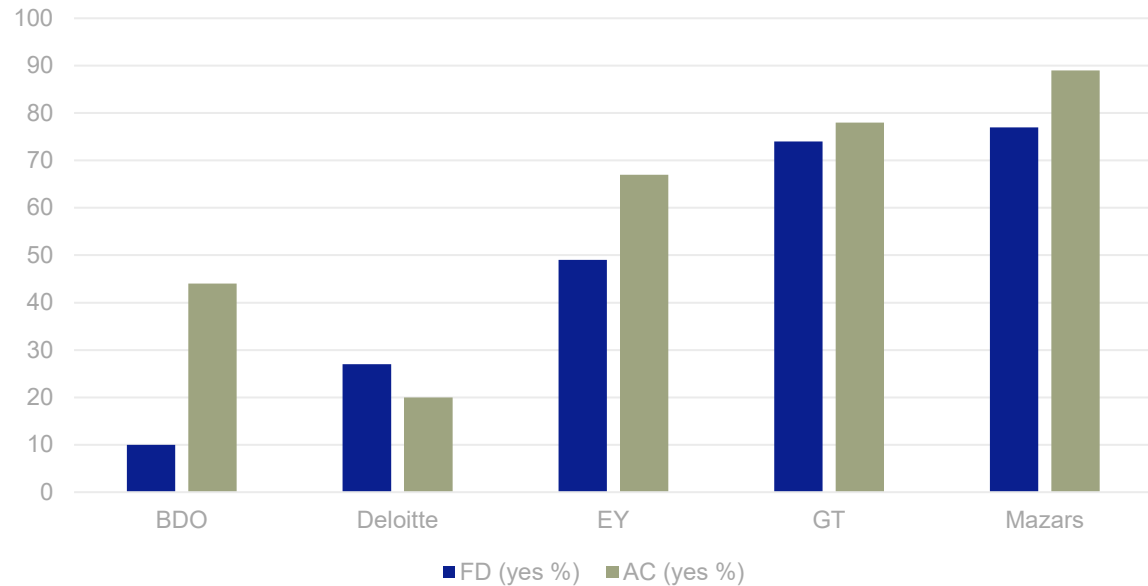
Research



PSAA quality of audit services feedback survey

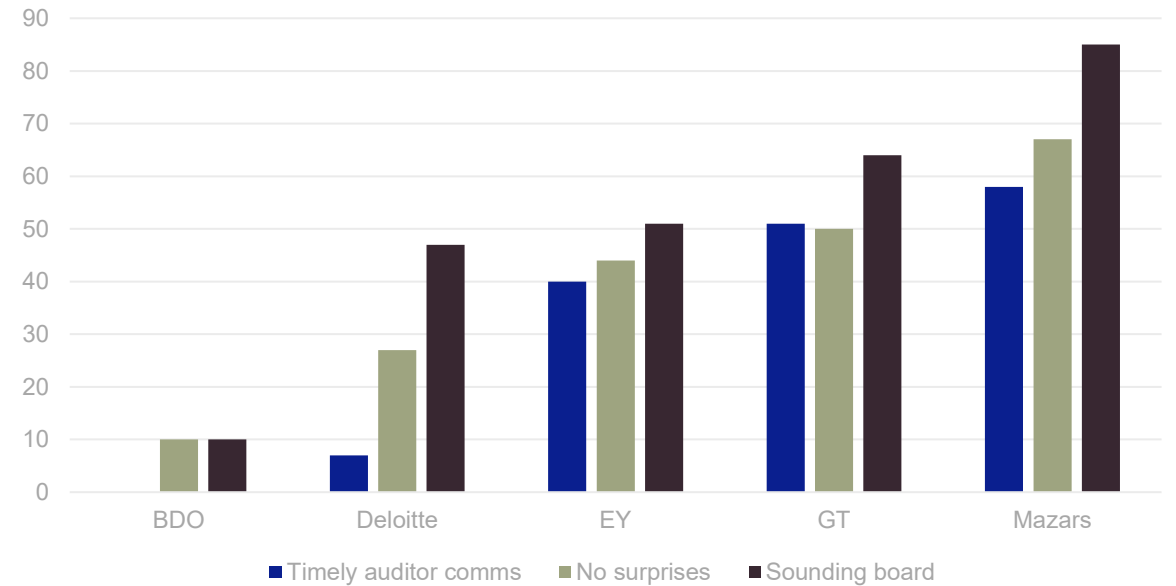
Focus area 1 - To what extent did the audit service meet your expectations?

Did the audit service meet your expectations?



Focus area 2 - To what extent did your auditor provide effective and timely communications? Were the communications timely, with no surprises and was the auditor approachable as a sounding board?

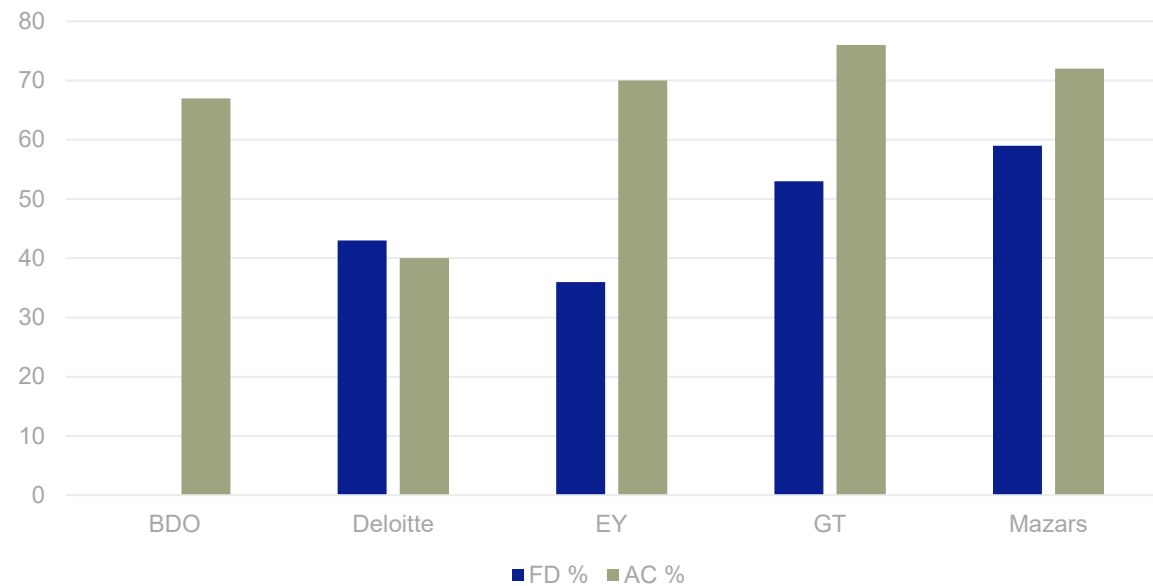
How effective were communications?



PSAA quality of audit services feedback survey

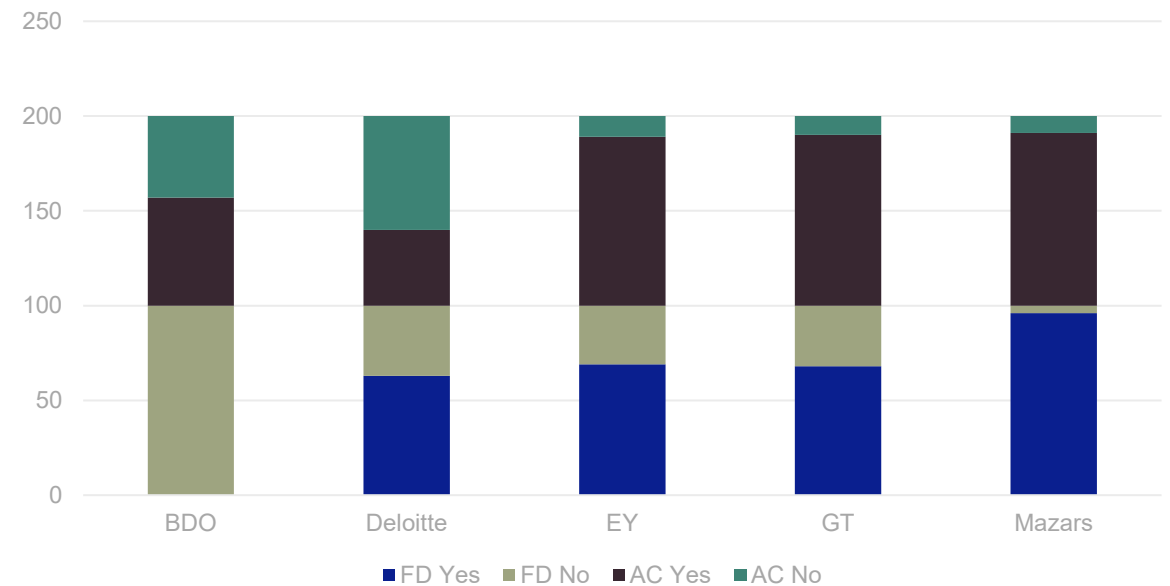
Focus area 3 – How useful did you find the auditor's VFM Commentary (fairly and very useful responses)?

Was the VFM commentary useful?



Focus area 4 – Where significant concerns and weaknesses were identified, were these reported on a timely basis – yes or no?

Were significant matters reported on a timely basis?



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*where permitted under applicable country laws.

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