

Update on the 2022/23 Highland Council audit

Prepared for: Highland Council Audit and Scrutiny Committee (those charged with governance)

30 November 2023

1. Our audit work for the 2022/23 audit year has progressed substantially, however circumstances have dictated that we have had to alter the annual accounts audit timetable. We are not able to deliver a complete package to this committee (those charged with governance) by 30 November 2023.
2. We have agreed a [revised timetable](#) for the annual accounts with the S.95 Officer and it is included at the end of this audit update.



Interim audit work

3. We have progressed our interim audit work related to initial systems reviews, system walkthroughs and relevant controls testing. This work provides us with an understanding of the key controls within the main financial systems and the wider financial control environment of the council.
4. To date, we have not noted any issues that present a material risk of misstatement in the annual accounts.

Annual accounts work and timetable

5. From September 2023 circumstances have dictated that we have had to alter the annual accounts audit timetable. This relates to unanticipated resourcing challenges within Audit Scotland which have had a direct impact on the 2022/23 Highland Council audit as well as other 2022/23 audit completion timetables.
6. As a consequence, the Audit and Scrutiny committee meeting to approve and sign the audited annual accounts has been moved from the 30 November 2023 to 24 January 2024. Delaying the audit was a difficult decision to make, however, given the importance of the audit process, audit quality and staff wellbeing, it was determined the delay would deliver a better overall audit outcome.
7. We would like members to know that the finance team provided the unaudited annual accounts and the working papers package in line with the original agreed timetable and the working papers are of a good quality.
8. We have undertaken an initial high-level review of the unaudited annual accounts and overall we note the document is of good quality. Some initial findings have been shared with finance to help improve the readability and content of the management commentary. This will be taken forward by officers for 2023/24 and beyond.
9. We would like to thank officers in Highland Council thus far for their patience, cooperation and support. The revised annual accounts timetable agreed with officers is [below](#):

2022/23 Highland Council Revised annual accounts timetable

 Key stage	 Revised Date
Consideration of the unaudited annual accounts by those charged with governance	15 June 2023
Latest submission date for the receipt of the unaudited annual accounts with complete working papers package	30 June 2023
Final clearance meeting with the S.95 Officer	29 November 2023
<u>Audit and Scrutiny Committee</u> For Highland Charities Trust and Highland Council Charitable Trusts: <ul style="list-style-type: none"> • Approval of audited annual report and financial statements (x2) for signing • Sign independent auditor's report (x2) 	30 November 2023
Issue of draft Annual Audit Report to officers for review	w/c 11 December 2023
Issue papers to Committee Clerk: <ul style="list-style-type: none"> • 2022/23 Best Value Thematic Review • Report to those charged with governance (ISA 260) • 2022/23 Annual Audit Report 	w/c 14 January 2024
<u>Special Audit and Scrutiny Committee:</u> <ul style="list-style-type: none"> • Approval of audited annual accounts for signing • Sign audited annual accounts • Sign independent auditor's report 	24 January 2024
Certified Non-Domestic Rates Return	By end December 2023
Certified Housing Benefit subsidy claim	By end December 2023
Latest date for WGA assurance	No audit required