

**Report To:** Audit Committee

**Date of Meeting:** 12 January 2023

**Report Title:** Interim Auditor's Report on Hastings Borough Council

**Report By:** Kit Wheeler, Chief Finance Officer

**Key Decision:** N

**Classification:** Open

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### **Purpose of Report**

To consider the matters raised by the Council's external auditors (Grant Thornton) in respect of their Governance Report. Their opinion on their value for money assessment is close to but not yet concluded hence why it is Interim.

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### **Recommendation(s)**

1. That the report and action plan be accepted.

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### **Reasons for Recommendations**

Compliance with statutory requirements and good practice. The Council is accountable for the use of public money and continuously seeks to improve Value for Money. The Council's external auditors are required to submit a report to the Council's Audit Committee on any matters that are identified during their audit.

## Introduction

1. The report summarises the principal matters arising from the audit carried out by Grant Thornton along with other areas that they are required to give an opinion on. Auditing standards require the external auditors to report to those charged with governance, certain matters before giving an opinion on the accounts.
2. The report has raised 2 serious concerns that the Audit Committee must be made aware of. These relate to areas of Financial Sustainability and Governance and can be found in the Executive Summary of their report.
3. Under their opinion on the financial statements in their report, they have stated that “the audit of the 2020-21 financial statements is ongoing. They are targeting completion of the audit prior to Christmas 2022. However, this is dependent on the efficient turn around of the audit queries and the quality of evidence / explanation provided. Findings from the audit of the financial statements can have an impact on the value for money considerations, particularly around governance. Therefore, this report is presented as an Interim Annual Auditor Report and will be finalised and updated where appropriate on completion of the financial statements audit”.
4. A Senior Grant Thornton representative is expected to attend the Committee and present the report.
5. The Audit Findings Report is attached at Appendix A.

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## Wards Affected

None

## Policy Implications

**Please identify if this report contains any implications for the following:**

|                                       |     |
|---------------------------------------|-----|
| Equalities and Community Cohesiveness | No  |
| Crime and Fear of Crime (Section 17)  | No  |
| Risk Management                       | Yes |
| Environmental Issues & Climate Change | No  |
| Economic/Financial Implications       | Yes |
| Human Rights Act                      | No  |
| Organisational Consequences           | No  |
| Local People’s Views                  | No  |
| Anti-Poverty                          | No  |
| Legal                                 | No  |
| Climate Change                        | No  |

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## Additional Information

Appendix A – Interim Annual Auditor’s Report on Hastings Borough Council

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## Officer to Contact

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