



Audit Findings Addendum for Redditch Borough Council

Year ended 31 March 2020

1 March 2021



Headlines

We finalised our Audit Findings Report for the 1 March 2021 Audit, Governance & Standards Committee on 18 February. In our Audit Findings Report we reported a number of areas where our audit procedures were still yet to be fully concluded.

In undertaking further work in those areas we have identified the following additional adjustments that we are required to bring to your attention prior to concluding our audit:

- We were unable to reconcile the Comprehensive Income and Expenditure Statement (CIES) to Note 8 - Expenditure and Income Analysed by Nature. Officers have confirmed that, while Note 8 is correctly stated, the CIES incorrectly included £546k of both income and expenditure that related to internal recharges. While there is no net impact on the Net Cost of Services, 14 figures in the Council CIES and 14 figures in the Group CIES will need to be amended to the total of £546k.
- We were unable to reconcile the prior year CIES to Note 8 - Expenditure and Income Analysed by Nature. Officers have confirmed that, while the prior year CIES is fairly stated, the prior year Note 8 had not been updated to reflect three audit adjustments which were reported in our 2018/19 Audit Findings Report. These three adjustments total £1,087k and relate to:
 - Increase in pension costs arising from the “McCloud ruling” - £974k
 - Overstatement of operational assets - £33k
 - Transfer of two general fund properties from HRA to General Fund - £80k

Both of these issues will be corrected in the final version of the financial statements.

These additional errors and changes mean that we now cannot contain the fee within the extra £10,000 previously estimated and reported in respect of the quality of the financial statements and working papers. We will agree a final fee with the Acting S.151 Officer once the audit is completed.



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