

Report to:	Audit and Governance Committee
Date:	3 March 2021
Title:	External Audit Plan 2020/21
Report of:	Chief Finance Officer
Ward(s):	All
Purpose of report:	To inform the Committee of the content of the Council's External Audit plan for 2020/21.
Officer recommendation(s):	The Committee is recommended to consider and comment upon the External Audit Plan for 2020/21.
Reasons for recommendations:	To ensure that the Committee members are aware of the 2020/21 external audit scope and objectives, overall audit strategy, key audit risks and the proposed audit fees.
Contact Officer(s):	Name: Ola Owolabi Post title: Deputy Chief Finance Officer E-mail: ola.owolabi@lewes-eastbourne.gov.uk Telephone number: 01323 485083

1. Introduction

- 1.1 The 2020/21 External Audit plan (attached as Appendix A) summarises the auditors assessment of key risks, approach to the audit, the processes in determining their audit opinion on the EBC's accounts, conclusion on the Council's arrangements for securing economy, efficiency and effectiveness.
- 1.2 The Plan confirms the 2020/21 core external audit fee as £52,191, which is unchanged from the 2019/20 fee. The fee is based on a number of assumptions, including the Council providing the auditors with complete and accurate financial statements, with good quality supporting working papers, within agreed timeframes.

2. The Key Audit Planning Risks

- 2.1 The key risks have been reviewed and updated from the previous year by the external auditors. Some of the highlighted risks cover the same areas as last year. New risks have been added on financial sustainability and going concern, which addresses a new concern in response to well publicised corporate failures.
- 2.2 The Auditors initial risk assessment has identified the following significant areas of audit focus either due to their size, level of judgement or their influence on other balances within the financial statements as follow:
 - Completeness of Creditors;
 - Property Valuations;
 - Management Override of Controls;
 - Pensions Valuations;

- Accounting and valuation for the ICE investment;
- COVID-19 Financial sustainability and accounting.

3. Audit timings

- 3.1 The External Auditors (Deloitte) have scheduled staff from 22 March 2021 through to September 2021 for the completion of the outstanding audits and for the 2020/21 audits of Eastbourne Borough Council. Deloitte will review the required staffing and timing as required dependent on quality of information provided and issues arising.
- 3.2 The Ministry of Housing, Communities & Local Government (MHCLG) is currently consulting upon the timetable for the target publication date for final audited accounts for 2020/21. Their current proposals are for draft accounts publication by 1st August 2021 for public inspection, and final accounts by 30 September 2021. However, this remains subject to consultation feedback, which is likely to challenge the effect of August publication on the audit process and the overall achievability of this timetable nationally.

4. Conclusion and reasons for recommendations

- 4.1 The external auditors overall audit approach remains similar to previous years with no fundamental changes. Officers will continue to liaise with Deloitte to ensure that their work is delivered as efficiently as possible and that both internal and external audit plans are complementary including making the best use of audit resources.
- 4.2 The external audit activities will be delivered in accordance with the plan, and findings reported to the Chief Finance Officer (S151) and the Audit and Governance Committee.

5. Financial Appraisal

- 5.1 All relevant implications are referred to in the above paragraphs.

6. Risk Management Implications

- 6.1 The risk management implications are reflected within the audit plan, i.e., for Deloitte to obtain sufficient, relevant and reliable audit evidence to enable expressing an opinion on the statutory accounts of the Council prepared in accordance with the Code of Practice on Local Authority Accounting (“the Code”) issued by CIPFA for the period ending 31 March 2021.

7. Equality Analysis

- 7.1 This is a routine report for which detailed Equality Analysis is not required to be undertaken.

8. Legal Implications

- 8.1 There are no legal implications from this report in addition to those identified under para 6.

9. Appendix/Background Paper

- 9.1 Appendix A - Deloitte External Audit Plan 2021-22 report to the Audit and Governance Committee.