

Report to:	Audit and Governance Committee
Date:	28 July 2021
Title:	The External Auditors (Deloitte) report on the 2018/19 Statement of Accounts
Report of:	Chief Finance Officer
Cabinet member:	Councillor Stephen Holt, Cabinet Member for Finance
Ward(s):	All
Purpose of report:	To review the Independent Auditor's (Deloitte) report to those charged with governance regarding the audited 2018/19 Statement of Accounts.
Decision type:	Budget and Policy Framework
Officer recommendation(s):	<p>The Committee is recommended to:</p> <ol style="list-style-type: none"> 1. Note the Independent Auditor's (Deloitte) report to those charged with governance on EBC Accounts, and the Value for Money conclusion report. 2. To approve the Audited 2018/19 Statement of Accounts. 3. Authorise the Chief Finance Officer to sign the formal Letter of Representation to Deloitte. 4. Note the 2019/20 Statement of Accounts audit update.
Reasons for recommendations:	The Council is required to produce an annual Statement of Accounts in line with the Accounts and Audit Regulations.
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1 Introduction

- 1.1 This report summarises the key findings (Appendix A) arising from Deloitte final audit work in relation to the Council's 2018/19 financial statements (Appendix B), and on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources ('VFM conclusion').
- 1.2 The completion of the audit was delayed, primarily due to the challenges of determining the appropriate accounting treatment, valuation and entries in respect of the Council's financial guarantee arrangements via Investment Company Eastbourne ("ICE") in the Council and Group financial statements.

2.0 2018/19 Statement of Accounts

- 2.1 Under its terms of reference, it is the role of this Committee to review/approve the annual statement of accounts and the external auditor's report to those charged with governance, having considered whether appropriate accounting policies have been followed, and any issues raised by Deloitte from the audit of the accounts.
- 2.2 The auditors envisage issuing an unqualified audit opinion on the Council's financial statements. A number of accounting and presentational adjustments arising from normal audit work have been noted, discussed, and resolved as stated in the report.
- 2.3 Deloitte has also completed the review of the arrangements made by the Council to secure economy, efficiency, and effectiveness in the use of resources (Value for Money - VFM) and did not identify any significant VFM risks in 2018/19. Deloitte is satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019, and did not feel it necessary to report on any particular points on value for money issues.

Letter of Representation 2018-19

- 2.4 Each year, on completion of the audit of the Council's Financial Statements, the Chief Finance Officer is required to submit a Letter of Representation to the Council's external auditor. The letter formally and publicly confirms the accuracy and completeness of the presented Statement of Accounts.
- 2.5 A copy of the draft Letter of Representation for 2018/19 is attached at Appendix C and on receipt of the signed Letter of Representation, the Council's external auditor will formally issue an opinion on the Financial Statements.

3.0 Annual Statement of Accounts 2019/20- update

- 3.1 The Accounts and Audit Regulations set out the timescales to produce the Council's accounts, including the dates of the public inspection period. Following the coronavirus outbreak and in response to the pressures this has placed upon finance teams and external auditors in the production of the 2019/20 accounts, the Accounts and Audit (Coronavirus) (Amendment) Regulations were amended to change the came up with changes including S151, Members and publication dates.
- 3.2 The draft 2019/20 Statement of Accounts was submitted to the External Auditors (Deloitte) in July 2020, and the auditor envisages starting the 2019/20 audit immediately after the completion of the 2018/19 audit.

4 Corporate plan and council policies

- 4.1 Considered as part of the overall Accounts and Audit Regulations requirement and the timescales.

5 Financial appraisal

- 5.1 There are no direct financial considerations arising from this report.

6 Legal implications

- 6.1 Comment from the Legal Services Team is not necessary for this routine monitoring report. The Accounts and Audit (England) Regulations requires the Statement of Accounts to be considered and approved by way of a committee resolution and thereafter published.

7 Risk management implications

- 7.1 There are no implications arising from this report.

8 Equality analysis

- 8.1 Equality issues are considered

9 Appendices

- 9.1
- Appendix A - The Eastbourne Borough Council Report to the Audit and Governance Committee on the audit for the year ended 31 March 2019.
 - Appendix B - Audited 2018/19 Statement of Accounts.
 - Appendix C - Formal Letter of Representation to Deloitte.

10 Background papers

- 10.1 The Background Papers used in compiling this report: 2018/19 Statement of Accounts