

Report to: **Audit and Governance Committee**

Date: **23 November 2022**

Title: **The External Auditors (Deloitte) report on the draft 2019/20 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 draft 2019/20 Statement of Accounts.**

Decision type: **Budget and Policy Framework**

Officer recommendation(s): **The Committee is recommended to:**

- 1. Note the Independent Auditor's (Deloitte) report to those charged with governance on EBC Accounts, and the Value for Money conclusion report.**
- 2. Delegate authority to the Chair in consultation with the Chief Finance Officer to sign-off the audited EBC 2019/20 Statement of Accounts.**
- 3. Authorise the Chief Finance Officer to sign the formal Letter of Representation to Deloitte.**

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 2019/20 financial statements, 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 various resource issues and challenges of determining the appropriate accounting treatment, valuation, entries in respect of the Council's financial guarantee arrangements and Group financial statements issues.

2.0 2019/20 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 2019/20 Council's financial statements subject to resolution of outstanding areas for completion, which include:

- review of the updated statement of accounts;
- completion of work on ICE financial instrument valuations;
- completion of working through support received for sundry open areas of testing;
- completion of quality assurance review procedures;
- receipt of signed management representation letter; and
- review of subsequent events through to signing.

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 2019/20. 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 2020, and did not feel it necessary to report on any particular points on value for money issues.

Letter of Representation 2019-20

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 On receipt of the signed Letter of Representation, the Council's external auditor will formally issue an opinion on the Financial Statements.

3 Corporate plan and council policies

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

4 Financial appraisal

4.1 There are no direct financial considerations arising from this report.

5 Legal implications

5.1 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.

6 Risk management implications

6.1 There are no implications arising from this report.

7 Equality analysis

7.1 Equality issues are considered

8 Appendix

8.1 ➤ Appendix A - The Eastbourne Borough Council Report to the Audit and Governance Committee on the audit for the year ended 31 March 2020.

9 Background papers

The Background Papers used in compiling this report: draft 2019/20 Statement of Accounts