



Eastbourne Borough Council

Update to the Audit & Governance Committee on audit status

Issued for the meeting on 1 March 2023

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Status update on the 2019/20 audit

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Our work on the 2019/20 audit is substantially complete. We will update you orally in the meeting if any matters remain outstanding.

We reported to the November Audit & Governance Committee on our ISA 260 findings from our audit, which was at an advanced stage.

We have continued to work with the finance team to finalise the audit, with staff allocated through to April 2023 to progress the 2020 and then 2021 audits, and staffing from July for subsequent audits.

No additional unadjusted misstatements have been identified.

The audit team has held on-going discussions in the form of weekly meetings and update meetings to resolve any matters impacting the audit.

The table below summarises the status of the matters that had been outstanding in our report.

Area	Status
Review of the updated statement of accounts which reflects the agreed adjustments from issues noted during the audit, including arithmetic checks and tie through of amounts reflected on the updated statement of accounts.	We have reviewed the updated accounts. We have fed back to the Council a number of items to correct (e.g. arithmetic errors/consistency) in the final version of the statement of accounts, and have received an updated version of the financial statements.
Completion of work on ICE financial instrument valuations (dependent on receipt of support for fair values), and equity accounting (dependent on receipt of evidence for underlying property valuation in IIL).	We have received support for the IIL property valuation as at 31 March 2020, and reviewed with support of our property valuation specialist. We have received support for the fair values used, and considered the appropriateness of the assumptions used with support of our financial instrument specialist. Due to the state of markets at 31 March 2020, there is a greater judgement in the inputs used, including discount rates, than in 2018/19, and this is likely to be the case for future periods also. Our work in this area is subject to completion of quality assurance reviews.
Infrastructure assets – review of management’s assessment of asset lives and changes for the code changes.	Following the issue of a Statutory Instrument on Infrastructure on 25 December 2022, and the accompanying January 2023 CIPFA guidance, the Council has taken the statutory override and updated the disclosures in the financial statements meaning that only the net book value of infrastructure assets is disclosed. We agree this approach is appropriate, and have no issues to raise from our review of asset lives.
Completion of working through support received for sundry open areas of testing and any follow-up queries arising.	We have received support for the areas of testing outstanding.
Completion of quality assurance review procedures, including on the updated statement of accounts.	Following the completion of the above areas, we are completing the final quality assurance reviews.
Receipt of signed management representation letter, and update of our review of subsequent events through to signing.	These final procedures follow completion of above areas.



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