

**AUDIT AND GOVERNANCE COMMITTEE**

Monday, 18 January 2021

**WAVENEY DISTRICT COUNCIL – ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2018/19**

**EXECUTIVE SUMMARY**

1. Ernst and Young’s Annual Audit Letter communicates the key issues arising from their work to Members and external stakeholders, including members of the public. This letter is contained in **Appendix A**.
2. Detailed findings from Ernst and Young’s audit work have already been report to the Audit and Governance Committee via their Audit Results Report in September 2020. At that time the audit was substantially complete. There have been no substantial changes since that update, therefore an updated Audit Results Report has not been necessary. Those findings have not been repeated in the Annual Audit Letter.
3. The Executive Summary of the Audit Letter covers the areas of audit work undertaken and the conclusions of that work, while the Financial Statement Audit and Value for Money sections of the letter detail the significant risks identified from Ernst and Young’s audit planning, along with the findings from their work in relation to these areas. There were no issues to report and an unqualified audit opinion and unqualified value for money conclusion have been issued.
4. **Appendix A** of the Audit Letter details the audit fees that are agreed and proposed. The scale fee variation for the 2018/19 year is yet to be agreed by the S151 officer and is subject to further approval by Public Sector Audit Appointments (PSAA). The estimated scale fee variation in respect of the 2018/19 audit is an additional £6,000 due to additional work required to consider the prior period adjustments and the impact of the Covid-19 pandemic.

Is the report Open or Exempt?	Open
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<b>Wards Affected:</b>	All Wards in East Suffolk
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<b>Cabinet Member:</b>	Councillor M Cook Cabinet Member with responsibility for Resources
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<b>Supporting Officer:</b>	Brian Mew Chief Finance Officer and Section 151 Officer 01394 444571 <a href="mailto:brian.mew@eastssuffolk.gov.uk">brian.mew@eastssuffolk.gov.uk</a>
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## **1 INTRODUCTION**

- 1.1 The Annual Audit Letter attached as **Appendix A**, produced by the External Auditor, Ernst & Young, communicates the key issues arising from their work to Members and external stakeholders. including members of the public.

## **2 ANNUAL AUDIT LETTER 2018/19**

- 2.1 Detailed findings from Ernst and Young's audit work have already been report to the Audit & Governance Committee via their Audit Results Report in September 2020. Those findings have not been repeated in the Annual Audit Letter.
- 2.2 The Executive Summary of the Audit Letter covers the areas of audit work undertaken and the conclusions of that work, while the Financial Statement Audit and Value for Money sections of the letter detail the significant risks identified from EY's audit planning, along with the findings from their work in relation to these areas. There were no issues to report and an unqualified audit opinion and unqualified value for money conclusion were issued.
- 2.3 **Appendix A** of the Audit Letter details the audit fees that are agreed and proposed. The scale fee variation for the 2018/19 year is yet to be agreed by the S151 officer and is subject to further approval by Public Sector Audit Appointments (PSAA). The estimated scale fee variation in respect of the 2018/19 audit is an additional £6,000 due to additional work required to consider the prior period adjustments and the impact of the Covid-19 pandemic. Due to increased testing for the audit of the Housing Benefits Subsidy Claim, the final fee for 2018/19 increased by £8,405 against the planned fee.

## **3 CONSULTATION**

- 3.1 There have been ongoing updates with the Audit team and key stakeholders.

## **4 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?**

- 4.1 The Annual Audit Letter is a statutory requirement by the Local Audit and Accountability Act 2014. The Audit Letter does not link directly to the Council's Strategic Plan, but through securing external assurance over the Council's governance, financial statements and value for money, this will assist to achieve the priorities of the Strategic Plan.

## **5 FINANCIAL AND GOVERNANCE IMPLICATIONS**

- 5.1 There have been a limited number of material issues raised from the audit and none of these have an impact on the financial position of Waveney District Council as at 31 March 2019. Other financial implications are included in Section 2.

## **6 OTHER KEY ISSUES**

- 6.1 None.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 None.

## **8 REASON FOR RECOMMENDATION**

- 8.1 The consideration of the External Auditors' Report and Annual Audit Letter is a statutory requirement under the Local Audit and Accountability Act 2014.

**RECOMMENDATION**

That the Committee notes the key findings within the External Auditors' Annual Audit Letter for the year ended 31 March 2019 in respect of Waveney District Council, **Appendix A**.

**APPENDICES****Appendix A**

Waveney District Council Annual Audit Letter Year Ended 31 March 2019

**BACKGROUND PAPERS – none**