



AUDIT AND GOVERNANCE COMMITTEE

Monday, 18 January 2021

SUFFOLK COASTAL DISTRICT COUNCIL – ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2018/19, INCLUDING UPDATED AUDIT RESULTS REPORT

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 & Governance Committee via their Audit Results Report in September 2020. At that time the audit was substantially complete. The updated Audit Results Report for 2018/19 (November 2020) is attached at **Appendix B**. The sections updated are clearly indicated in the Report. 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 were issued.
4. **Appendix A** of the Audit Letter details the audit fees that are agreed and proposed. The scale fee variations for the 2018/19 year are yet to be agreed by the S151 Officer and are subject to further approval by Public Sector Audit Appointments (PSAA). The estimated scale fee variation of £10,600 in respect of the 2018/19 audit is in respect of an objection to the Statement of Accounts. Ernst and Young are yet to conclude their work in this regard.

Is the report Open or Exempt?	Open
Wards Affected:	All Wards in East Suffolk
Cabinet Member:	Councillor M Cook Cabinet Member with responsibility for Resources
Supporting Officer:	Brian Mew Chief Finance Officer and Section 151 Officer 01394 444571 brian.mew@eastsoffolk.gov.uk

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. At that time the audit was substantially complete. The finalised Audit Results Report is attached at **Appendix B**. 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 variations for the 2018/19 year are yet to be agreed by the S151 officer and are subject to further approval by Public Sector Audit Appointments (PSAA). The estimated scale fee variation of £10,600 in respect of the 2018/19 audit is in respect of an objection to the Statement of Accounts. Ernst and Young are yet to conclude their work in this regard.

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 Annual 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.
- 5.2 Following the completion of outstanding audit work as reported at the September Audit and Governance meeting, an adjustment to the business rates appeals provision as at 31 March 2019, comprised a reduction to the Council's general fund earmarked reserves of £0.596m.
- 5.3 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.

RECOMMENDATIONS

That the Committee notes:

1. The key findings within the External Auditors' Annual Audit Letter for the year ended 31 March 2019 in respect of Suffolk Coastal District Council, **Appendix A**.
2. The findings in the updated External Auditors Report 2018/19 (updated November 2020), **Appendix B**.

APPENDICES

Appendix A	Suffolk Coastal District Council Annual Audit Letter Year Ended 31 March 2019
Appendix B	Suffolk Coastal District Council Audit Results Report 2018/19 (Updated November 2020)

BACKGROUND PAPERS – none