

# Public Document Pack

## Southend-on-Sea Borough Council

### Legal & Democratic Services

Strategic Director: John Williams

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20 October 2021

### AUDIT COMMITTEE - WEDNESDAY, 20TH OCTOBER, 2021

Please find enclosed, for consideration at the next meeting of the Audit Committee taking place on Wednesday, 20th October, 2021, the following report that was unavailable when the agenda was printed.

#### Agenda Item No

5 **Deloitte External Audit status update: latest position and timescales to completion for 2020/21 audit (Pages 1 - 2)**

Report of the Executive Director (Finance and Resources) attached

Robert Harris  
Principal Democratic Services Officer

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19 October 2021

Southend-on-Sea Borough Council  
Civil Centre  
Victoria Avenue  
Southend-on-Sea  
SS2 6ER

Dear Audit Committee Members

We are writing to you to provide an update on the 2020/2021 audit of the Southend-on-Sea Borough Council Statement of Accounts, including the work on arrangements to secure value for money.

I am Paul Thomas and I am a director within our core Public Sector audit practice. I will be overseeing the completion of the audit during the absence of the audit engagement partner (Craig Wisdom).

Our audit is in progress and we are not yet in a position to report more substantively to you at this time.

Nationally, Public Sector Audit Appointments have reported that only 9% of local authorities were able to meet their publication deadline and represents a significant decline from 2020, where 45% were able to publish audited accounts within the required timelines (<https://www.psa.co.uk/2021/10/news-release-2020-21-audited-accounts-psaa/>).

The factors which have had a local impact include:

- Changes to the core audit team including Aron Kleiman, the Senior Manager on the audit who has recently left Deloitte.
- Increased scope of work as a result of the escalation of Covid-19 grant income to significant risk level due to the judgement and complexity surrounding the accounting treatment of these grants (consistent with our approach on some other local government clients within our audit portfolio).
- Increased audit procedures around judgements and estimates applied on a number of balances including provisions and PPE valuation as a result of the Covid-19 pandemic.
- Increased audit procedures due to the requirements of ISA 540 'Auditing Accounting Estimates and Related Disclosures'
- Delay in the receipt of the pension assurance letter from the auditors of the Essex Pension Fund.
- Issuance of the Annual Auditor's Report within 3 months of the date of signing of the Statement of Accounts by Deloitte.

As it was not possible to complete the field work during the originally scheduled field visit, we are required to arrange a further visit and we will provide a further update to the Council in due course. This process has been complicated by the number of local government audits in a similar position.

Yours faithfully



Paul Thomas  
For and on behalf of Deloitte LLP

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