

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of the Executive Director (Finance and  
Resources)

to

**Audit Committee**

on

**29th April 2020**

Report prepared by: Deloitte External Auditor

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**Deloitte: Audit planning report to the Audit Committee,  
Audit for the year ending 31 March 2020**

***A Part 1 Public Agenda Item***

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## **1. Purpose of Report**

- 1.1 To present the External Auditor's Audit planning report for 2019/20 to the Audit Committee.

## **2. Recommendation**

- 2.1 The Committee notes Deloitte's Audit planning report for 2019/20.**

## **3. Background**

- 3.1 As required by the National Audit Office's Code of Audit Practice (the Code), the external auditor must produce an audit planning document. This should set out how the auditors intend to carry out their responsibilities in light of their assessment of risk.
- 3.2 The report also includes an update on the work performed to date, including the interim visit and an update on the Covid-19 situation both broadly, and more specifically, as it relates to the local government and Southend contexts.
- 3.3 A senior representative of Deloitte (the appointed External Auditor to the Council) will present this report to the Audit Committee and respond to Members' questions.

## **4. Corporate Implications**

- 4.1 Contribution to the Southend 2050 Road Map  
Audit work provides assurance and identifies opportunities for improvements that contribute to the delivery of all Southend 2050 outcomes.
- 4.2 Financial Implications  
The prescribed requirements of what needs to be undertaken by the external auditor is defined by the National Audit Office. The plan and fees proposed reflect the application of these requirements to this Council based upon an assessment of risk which is set out in the Audit Plan for 2019/20.

The cost to the Council of external audit for 2019/20 is planned to be £109,968 for the audit work delivered under the NAO's Code of Audit Practice.

#### 4.3 Legal Implications

The Council is required to have an external audit of its activities that complies with the requirements of the Code. By considering this report, the Committee can satisfy itself that this requirement is being discharged.

#### 4.4 People Implications

None

#### 4.5 Property Implications

None

#### 4.5 Consultation

The planned audit work has been discussed and agreed with the Executive Director (Finance and Resources).

#### 4.6 Equalities Impact Assessment

None

#### 4.7 Risk Assessment

Poor performance by the Council in the areas subject to review could result in either a qualified audit opinion or value for money conclusion and may also impact adversely on any corporate assessment.

Periodically considering whether the external auditor is delivering the agreed Annual Audit Plan helps mitigate the risk that the Council does not receive an external audit service that complies with the requirements of the Code.

#### 4.8 Value for Money

The Public Sector Audit Appointments Limited sets the fee formula for determining external audit fees for local authority external auditors, taking into account the results of market testing for the audit work that is now fully delivered by private sector audit firms.

#### 4.9 Community Safety Implications

None

#### 4.9 Environmental Impact

None

### 5. Background Papers

- The National Audit Office's Code of Audit Practice
- Public Sector Appointments Limited scale fees for local government bodies 2019/20

### 6. Attachment:

- Deloitte's Audit Plan to the Audit Committee, Audit for the year ending 31 March 2020