

# **Southend-on-Sea Borough Council**

**Report of the Executive Director (Finance and  
Resources)**

**to**

**Audit Committee**

**on**

**13 January 2021**

Report prepared by: Andrew Barnes, Head of Internal Audit

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**Deloitte: Annual Audit Letter 2019/20**

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

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**1. Purpose of Report**

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

**2. Recommendations**

- 2.1 **The Audit Committee approves the Annual Audit Letter for 2019/20.**

**3. Background**

- 3.1 This Annual Audit Letter summarises the key issues arising from the work Deloitte have carried out during the year as the Council's auditors, and highlights the key findings that should be considered by the Council.
- 3.2 It is intended to be a short document, aimed at key external stakeholders including members of the public, to inform them about the results of the audit. It will be posted onto the Council's website and will also be posted on the Public Sector Audit Appointments (PSAA) website.

**4. Reasons for Recommendations**

- 4.1 **The production and publication of an Annual Audit Letter is a requirement of the National Audit Office's Code of Audit Practice (the Code).**

**5. Corporate Implications**

- 5.1 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.
- 5.2 Financial Implications
- The fee for the audit work is set by Public Sector Audit Appointments Limited and agreed with the Council before the start of the audit. The planned code audit fee for 2019/20 was £109,968. Issues arising during the course of the audit can impact on the audit fee payable and the auditors have requested a £9,000 increase as a result of additional work due to Covid-19 and other matters.

### 5.3 Legal Implications

The Council is required to have an external audit of its activities that complies with the requirements of the National Audit Offices (NAO)' Code of Audit Practice (the Code). By considering this report, the Committee can satisfy itself that this requirement is being discharged.

### 5.4 People Implications

None

### 5.5 Property implications

None

### 5.6 Consultation

The Annual Audit Letter for 2019/20 has been discussed and agreed with the Executive Director (Finance and Resources).

### 5.7 Equalities and Diversity Implications

None

### 5.8 Risk 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 requirement of the NAO's Code of Audit Practice.

### 5.9 Value for Money

PSAA sets the fee formula for determining external audit fees for all external auditors.

### 5.10 Community Safety Implications

None

### 5.11 Environmental Impact

None

## 6. Background Papers

- The Accounts and Audit Regulations 2015
- UK Public Sector Internal Audit Standards
- CIPFA: Local Government Application Note for the UK Public Sector Internal Audit Standards

## 8. Appendices

### Appendix 1: Deloitte's Annual Audit Letter 2019/20