

# Southend-on-Sea City Council

Agenda  
Item No.

Report of the Executive  
Director (Finance and Resources)

to

**Audit Committee**

on

**26 April 2023**

Report prepared by: Deloitte External Auditor

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**Deloitte: Final ISA260 Report to the Audit Committee on the 2020/21 audit**

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

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## **1. Purpose of Report**

- 1.1. This updated final ISA260 report summarises the results of the work that has now been completed for the 2020/21 financial year with regard to:
- the opinion on the Statement of Accounts
  - the commentary on the Council's Value for Money arrangements conclusion).

## **2. Recommendations**

- 1.2. **The Committee accepts the Final Report to the Audit Committee on the 2020/21 audit.**
- 1.3. **The Committee notes the changes from the previous report presented to the meeting of 21 March (as set out on page 3 of Deloitte's report).**
- 1.4. **The Committee approves that the resulting Statement of Accounts for 2020/21 is now final and ready for formal signing and publication.**

## **3. Background**

- 1.5. 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.
- 1.6. Deloitte's report presented to the Audit Committee meeting of 21 March reported on the status of their work performed as at that date. This report provides a final update and therefore the majority of the pages are the same as the March report. The only changes from the report in March reflect the finalisation of the Auditor's Annual Report and a new finding regarding the

valuation of property assets, which has resulted in an adjustment to the financial statements.

- 1.7. The Auditor's Annual Report for 2020/21 is being presented elsewhere on this agenda and includes the reporting on Deloitte's Value for Money work and conclusion which is now complete.
- 1.8. Rolling five-year asset revaluations have always been undertaken as at 1 April. Traditionally the completion of the audit and the formal signing of the accounts has concluded by the autumn of the following year. In previous years this has occurred before any updated valuation information is available for audit consideration. Due to the delay in the completion of the 2020/21 audit, updated revaluation information was available which has resulted in a requirement for an adjustment of £7.1m to the Council's asset net book values as at 31/3/2021. It should be noted that this adjustment was not due to any error being made. The 2020/21 Statement of Accounts have been updated to reflect this adjustment.

#### **4. Corporate Implications**

- 1.9. Contribution to the Corporate Plan and Southend 2050 Road Map  
Audit work provides assurance and identifies opportunities for improvements that contribute to the delivery of all Southend 2050 outcomes.
- 1.10. 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. Issues arising during the course of the audit can impact on the audit fee payable.
- 1.11. Legal Implications  
The Council is required by statute to have an external audit of its activities that complies with the requirements of the Code of Audit Practice (the Code) issued by the National Audit Office. By considering this report, the Committee can satisfy itself that this requirement is being discharged.
- 1.12. People Implications  
None
- 1.13. Property Implications  
None
- 1.14. Consultation  
The contents of this report has been discussed and agreed with the Executive Director of Finance and Resources.
- 1.15. Equalities and Diversity Implications  
None
- 1.16. Risk Assessment  
Periodically considering whether the external auditor is delivering the agreed Annual Audit Plan helps mitigate the risk that this statutory requirement is not met.

1.17. Value for Money

The auditor's commentary is contained in the Auditors Annual Report for 2020/21 elsewhere on this agenda.

1.18. Community Safety Implications

None

1.19. Environmental Impact

None

**5. Background Papers**

None

**6. Attachment: Deloitte Final Report to the Audit Committee on the 2020/21 audit**