

Committee: Audit & Scrutiny Committee	Date: 6 July 2021
Subject: Annual Audit Letter 2019-20	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources)	Public
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Summary

This report presents the Committee with the Annual Audit Letter issued by the external auditors, Ernst & Young, following the completion of the audit of the 2019/20 accounts

Main Report

Introduction and Background

1. The purpose of the Annual Audit Letter is to communicate to members, and to the public and other stakeholders, the key issues arising from the audit of the accounts, which the external auditors consider should be brought to the attention of the Council.
2. The Annual Audit Letter is attached to this report as Appendix A. It contains the following sections:-
 - 01 Executive Summary – Results of the 2019/20 audit process
 - 02 Purpose and Responsibilities – Purpose of the Letter, Appointed Auditors and the Council.
 - 03 Financial Statements Audit – key issues identified as part of the audit.

04 Value for Money – Arrangements put in place by the Council to secure value for money

05 Other Reporting Issues – Further observations.

06 Focused on your future – Impact of new accounting standards in future years.

07 Audit Fees – Summary of fees payable for the year ended 31 March 2021.

Issue, Options and Analysis of Options

3. The detailed findings from the audit work were contained in the Audit Results Report, which was issued by Ernst & Young on xx 2020. This was reviewed by senior management and its conclusions noted by Committee on 24 November 2020. Following further work that was required to be carried out, the 2019/20 Statement of Accounts were approved by Committee on the 28 May 2021.
4. The Annual Audit Letter identifies the findings from the Final Audit Results Report, and reports matter that are most significant for the Council.
5. Officers have reviewed the Audit Letter and are satisfied with the contents of sections 01 – 07.
6. With regard to section 07 (Audit Fees). The external auditors propose a scale fee variation of approximately £19,500 to take account of additional work done by them on group accounting, the valuation of investment properties, significant risks to their value for money conclusion, Going Concern assessments and COVID-19 related risks. Any scale fee would be payable on top of the basic audit fee of £52,365. The proposed variation has not yet been agreed by management.
7. The final decision on this matter sits with Public Sector Audit Appointments Ltd (PSAA). The external auditors will submit their proposal alongside Corporate Director (Finance & Resources) comments to PSAA, who will determine the final fee for the 2019-20 audit. They will provide an update on the final fee position to this Committee when it has been determined by PSAA.

Consultation

No consultation was required for this report.

References to Corporate Strategy

Good financial management underpins all priorities within the Corporate Strategy.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section151 Officer.

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

The financial implications have been included within the main body of the report.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer

Tel & Email: 01277 312500 / amanda.julian@brentwood.gov.uk

All relevant legal considerations have been taken fully into account in compiling this report.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

There are no direct Economic Implications arising from this report

Appendices to this report

Appendix A: Annual Audit Letter 2019-20