

Item

## ANNUAL AUDIT LETTER 2018/19



**To:**

Civic Affairs Committee 25/11/2020

**Report by:**

Jody Etherington, Deputy Head of Finance

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**Wards affected:**

None directly affected

### 1. Introduction / Executive Summary

- 1.1 The attached Annual Audit Letter from EY (Appendix 1) summarises the key issues arising from the external audit of the 2018/19 Statement of Accounts.

### 2. Recommendations

- 2.1 That the contents of the Annual Audit Letter 2018/19 are noted.

### 3. Background

- 3.1 There were considerable delays encountered throughout the audit of the 2018/19 Statement of Accounts, which means that the Committee is receiving this letter much later than usual. The reasons for these delays were set out in detail in the Statement of Accounts 2018/19 report to Committee on 4 June 2020.
- 3.2 The Committee also received EY's Audit Results Report in respect of the 2018/19 Statement of Accounts at the same time. At the time of

issuing this report, there were a small number of mainly procedural steps to complete before the Statement of Accounts could be signed off. Authority was therefore delegated to the Chair, in consultation with the Opposition Spokes, to approve any further amendments to the Statement of Accounts (provided that these did not have a material impact on the Council's reserves or result in any changes to the auditor's opinion).

- 3.3 Audit work was completed shortly after the meeting, and the Statement of Accounts 2018/19 was authorised for issue by the Head of Finance and Chair of the Civic Affairs Committee on 9 July 2020. The audit opinion was unqualified.
- 3.4 Following completion of their audit work, EY issued their Annual Audit Letter on 3 August 2020. This summarises the key findings and conclusions arising from the audit.
- 3.5 The Local Audit and Accountability Act 2014 requires a committee of the Council to consider the letter. For this Council that committee is Civic Affairs.
- 3.6 Page 20 of the Annual Audit Letter sets out the total audit fee payable in respect of 2018/19. The total fee quoted for the audit of the Statement of Accounts was £151,024. However, since this report was issued, further discussions have taken place between officers, EY and Public Sector Audit Appointments (PSAA), following which the total fee has reduced slightly to £129,247.

## **4. Implications**

### **a) Financial Implications**

See paragraph 3.6.

### **b) Staffing Implications**

None

### **c) Equality and Poverty Implications**

None

#### **d) Environmental Implications**

None

#### **e) Procurement Implications**

None

#### **f) Community Safety Implications**

None

### **5. Consultation and communication considerations**

The Annual Audit Letter will be published on the Council's website.

### **6. Background papers**

No background papers were used in the preparation of this report.

### **7. Appendices**

Appendix 1 – EY Annual Audit Letter 2018/19

### **8. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact Jody Etherington, Deputy Head of Finance, tel: 01223 - 458130, email: [jody.etherington@cambridge.gov.uk](mailto:jody.etherington@cambridge.gov.uk).