

Report to the Audit & Governance Committee



**Epping Forest
District Council**

Report reference:

Date of meeting: 15th July 2021

Portfolio: Finance & Economic Development

Subject: Audit Report to Audit & Governance Committee for year ended 31 March 2020 ("ISA 260")

Responsible Officer: Andrew Small (01992 564278)

Democratic Services: Laura Kirman (01992 564243)

Recommendations/Decisions Required:

- (1) To consider and comment the Deloitte audit report for the year ended 31 March 2020 (Appendix A)**

Executive Summary:

This annual external audit report presents the observations arising from the audit of the Council's 2019/20 Statement of Accounts that are significant to the responsibility of "those charged with governance" (the Audit & Governance Committee) to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

Deloitte are the external auditors responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the Statement of Accounts that have been prepared by management with the oversight of those charged with governance.

The external auditor is also responsible for satisfying themselves that – under Section 20(1)(c) of the Local Audit and Accountability Act 2014 – the Council has made proper arrangements for securing economy, efficiency and effectiveness ("VFM") in its use of resources; their conclusion on VFM is also covered in the audit report.

Reasons for Proposed Decision:

To ensure that the Committee maintains robust oversight of the Council's duty to prepare annual financial statements that comply with proper accounting practice as defined by Section 21(2) of the Local Government Act 2003.

Legal and Governance Implications:

The local government financial reporting and audit regime exists within in a tightly regulated framework.

For the accounting period 2019/20, this includes the:

- Local Government Act 1972 (Section 151)
- Local Government Act 2003 (Section 21(2))
- Local Audit and Accountability Act 2014 (various); and
- Accounts and Audit (Coronavirus) Amendments Regulations 2020

Safer, Cleaner and Greener (SCG) Implications:

None.

Background Papers:

Epping Forest District Council "*Statement of Accounts 2019/20*" (draft) published August 2020.

CIPFA/LASAAC "*Code of Practice on Local Authority Accounting in the United Kingdom 2019/20*" (Guidance Notes).

National Audit Office "*Code of Audit Practice 2015*" (valid for accounting periods 2015/16 to 2019/20).

Risk Management:

There are a range of risks associated with local authority accounting and audit ranging from reputational damage to the Council through to the loss of public funds through fraud and error and a lack of accountability; the accounting and audit regime acts as a key mitigating control.