



Report to the Audit Committee

TENDRING DISTRICT COUNCIL

Audit Progress: year ended 31 March 2021

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Overview

The purpose of this report is to give the Audit Committee an update on the progress of the audit for the year ended 31 March 2021 in the context of the wider public sector, and specific developments relating to Tendring District Council.

At the time of writing this report, our audit is not sufficiently progressed to enable us to present our Audit Completion Report.

Audit Sector developments

The sector has seen a number of pressures arising since the faster close agenda brought the reporting deadline forward for the 31 March 2019 period to 31 July 2019. Only 60% of local government bodies were able to publish audited accounts by this deadline. By exception, there remain a number of 2018/19 audits outstanding to date.

The 31 March 2020 publication deadline, initially pushed back to end September 2020 from July 2020, was then further extended to 30 November 2020. However, only 45% of local government bodies were able to publish audited accounts by this extended deadline, with even traditionally better performing authorities close to or at the deadline date.

Recruitment and retention of staff with suitable public sector experience has become increasingly challenging on a national level. Added to this the increased scope of audit work, increased complexity in the public sector accounts, and extensive regulatory requirements, not matched by appropriate increases in fees, have continued to add to this pressure sector wide. It has been widely recognised that the audit sector, and public sector audit specifically, requires reform to enable it to remain sustainable. The Redmond review specifically focuses on recommendations to help achieve this in the longer term.

Alongside these already present pressures, a global pandemic manifested additional impacts and pressure. New challenges of remote working, onboarding and training new staff remotely, communication, IT support and illness within the team directly impacting efficiency and delivery.

The 31 March 2021 publication deadline was set at end September 2021. Audit firms and audit regulation bodies did feedback that this was not realistically achievable. Only 9% of 2021 audits were completed by 30 September 2021, with 20% by 30 November 2021 and 40% by 31 December 2021.



AUDIT PROGRESS



Audit progress

A strategic decision was taken to not undertake interim audits for NHS or local government to enable previously delayed audits to be completed. The purpose of the interim audit is to bring forward several audit procedures and ease the burden on the final visit. The audit in this case was performed in one visit.

The Tendring District Council audit team has suffered numerous additional pressures that have impacted the delivery of this audit including the loss of numerous audit team members, several due to resignations, exam failures and some due to sickness absence, all of which has exacerbated our position.

The 2021 audit has been challenging to deliver, with issues outlined above, in addition to the longer-term impacts of Covid-19 and remote working, several significant accounting estimates requiring management judgement and group audit considerations all of which require more detailed consideration considering the revised auditing standards and regulator focus.

We have worked with Council officers to make good progress in a large number of areas of the audit, however due to the reasons explained above we have been unable to make the progress we had expected to be able to report a finalised position to Committee. We would like to thank the Council officers for their help and continued support provided for this audit.

We are immensely disappointed and frustrated we are not able to present our Audit Completion Report and the outcome of the audit to the Committee. We will continue working with officers towards the completion of this audit.

Aphrodite Lefevre

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FOR MORE INFORMATION:

APHRODITE LEFEVRE

t: +44 (0)1603 756 909
m: +44 (0)7715 487 411
e: Aphrodite.lefevre@bdo.co.uk

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