

Members of the Governance Committee
Redcar and Cleveland Borough Council
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Dear Members

Update/conclusion of pending matters– Audit Completion Report

As required by International Standards on Auditing (UK), I am writing to communicate an update on those matters that were marked as outstanding within our Audit Completion Report dated 5 November 2021, and to draw your attention to additional issues that have arisen since we submitted our report to the Governance Committee on 3 December 2021.

The outstanding matters and the conclusions we reached are detailed below:

Matter	Update/conclusion reached	Status
Pensions	<p>We have now completed our work on pensions, and in particular, we have received the assurance letter from the auditor of Teesside Pension Fund.</p> <p>The Pension Fund auditor reported to us that the asset values submitted to the actuary were £33.128m less than the actual net assets in the Teesside Pension accounts which total £4,585.9m.</p> <p>Given the Council's share of the PF assets at the year end is 14.9% of the scheme investment assets, this difference would amount to £4.936m which is not material to our opinion on accounts. This is an unadjusted error.</p>	Complete

Matter	Update/conclusion reached	Status
Related party transactions	In our Audit Completion Report within section 05 we noted that there was one member's declaration that had not yet been received. We have undertaken alternative procedures and are satisfied that we now have sufficient assurance on related party transactions.	Complete.
IT General Controls	We note the control deficiency in our Audit Completion Report relating to user accounts is still an issue for 2020/21. No further reporting is required.	Complete
Review of Events after the Balance Sheet date.	We discussed subsequent events with management and reviewed available post balance sheet information at the point signing the audit opinion. We also reviewed the management representation letter which was received. There were no further matters arising.	Complete
Review and closure processes, including checking the amended version of the financial statements produced by finance as a result of our audit.	Our review and closure procedures have now been completed. There were no further matters arising.	Complete

Current status of our audit work

At the time of preparing this update letter, we intend to issue an unqualified audit opinion, without modification, on the financial statements. We plan to issue our opinion today.

At the time of preparing this update letter, the following matters remains outstanding, which as we have explained will be reported at a later date:

Audit area	Status	Description of outstanding matters
Value for money commentary		We are yet to complete our work in respect of the Council's arrangements for the year ended 31 March 2021.
WGA		We have not yet received group instructions from the National Audit Office.

Status

- Likely to result in material adjustment or significant change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Not considered likely to result in material adjustment or change to disclosures within the financial statements



We will inform the Governance Committee of any further matters when we have completed the value for money and whole of government accounts formally closing the audit of Redcar and Cleveland Borough Council. This will be reported in our Auditor's Annual Report.

If you wish to discuss these or any other points then please do not hesitate to contact me.

Yours faithfully

Gavin Barker

Gavin Barker
Director