

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARLOW DISTRICT COUNCIL**

### **Disclaimer of opinion**

We do not express an opinion on the accompanying financial statements of the Authority and the group. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements of Harlow District Council ("the Authority") and its subsidiaries ("the group") for the year ended 31 March 2020 which comprise the Authority and group Movement in Reserves Statement, the Authority and group Comprehensive Income and Expenditure Statement, the Authority and group Balance Sheet, the Authority and group Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund and notes to the financial statements including material accounting information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

### **Basis for disclaimer of opinion**

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Authority to publish audited financial statements for the year ended 31 March 2020 by 13 December 2024 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. The conditions created by backstop arrangements have resulted in us not being able to obtain all the necessary audit evidence upon which to form an opinion since there was insufficient time to perform all necessary audit procedures by the backstop date. Our work has been limited to scoping and planning the audit and identifying risks of material misstatement. We have not been able to perform audit procedures in response to the risks identified.

As a result, we are unable to conclude that the Authority's and group's financial statements for the year ended 31 March 2020 as a whole are free from material misstatement. We were also unable to obtain sufficient appropriate evidence for the corresponding figures for the same reason. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

### **Other information**

The Assistant Director - Finance is responsible for the other information. The other information includes all other information included in the Statement of Accounts, other than the Authority and group financial statements and our auditor's report thereon. The Code of Audit Practice 2024 requires auditors to report on whether other information published together with the financial statements is consistent with the financial statements. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have been unable to form an opinion on whether the other information published together with the financial statements is consistent with the financial statements.

### **Conclusion on use of resources**

On the basis of our work, having regard to the guidance on the specified criterion published by the National Audit Office in April 2020, we are satisfied that, in all significant respects, the Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

### ***Other matters on which we report by exception***

We are required to report to you if:

- we have been unable to satisfy ourselves that the Annual Governance Statement complies with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit;
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters, except that because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have been unable to satisfy ourselves that the Annual Governance Statement complies with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

### **Responsibilities of the Assistant Director - Finance and the Authority**

As explained more fully in the Statement of Responsibilities, the Assistant Director - Finance is responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view and for such internal control as the Assistant Director - Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Assistant Director - Finance is responsible for assessing the Authority's and group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to conduct an audit of the Authority's and group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Authority and group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## **Auditor's responsibilities in respect of the Authority's use of resources**

We are required under section 20 of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criterion specified by the National Audit Office.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

## **Auditor's other responsibilities**

As set out in the Other matters on which we report by exception section of our report there are certain other matters which we are required to report by exception.

## **Certificate**

We certify that we have completed the audit of the accounts of the Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

## **Use of our report**

This report is made solely to the members of Harlow District Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority members, as a body, for our audit work, for this report, or for the opinions we have formed.

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*Leigh Lloyd-Thomas*  
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Leigh Lloyd-Thomas, Key Audit Partner

For and on behalf of BDO LLP, Local Auditor

London, UK

13 December 2024

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