



**Colette Kane**  
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Mr David Jackson  
Chief Executive  
Causeway Coast & Glens Council  
Cloonavin  
66 Portstewart Road  
Coleraine  
BT52 1EY

14<sup>th</sup> August 2020

Dear David

### **Additional Significant Risk**

We have been reconsidering our audit of the 19/20 accounts for your Council in light of the recent Covid 19 pandemic. We are aware and grateful for the contribution local government continue to make to ensure vital public services are delivered to citizens. However we are also aware of the financial pressures Councils continue to be under as a consequence of the pandemic.

We have considered this and we have decided to include an additional significant risk in addition to the risk identified regarding financial position, to consider the financial resilience of the Council as part of our audit of the 19/20 accounts. The proposed significant risk is included as an Appendix to this letter.

As Chief Financial Officer you are required to carry out an assessment on whether it is appropriate to use the going concern basis for the preparation of the accounts. This is particularly relevant in the current circumstances. As part of our audit we will consider your assessment and the underlying evidence to support it – this may be a recovery plan to include cash flows predictions for example. We will also review the disclosures regarding Covid 19 impacts on the council within your accounts.

If you wish to discuss this further please do not hesitate to contact me. I would be grateful if this letter and appendix could also be forwarded to the chairperson of the audit committee.

Yours sincerely

**Colette Kane**  
**Director**

## Significant Risk

### Financial Resilience

The Covid 19 pandemic continues to impact council finances significantly and may do for sometime in the future.

Councils received funding from central government but it is recognised there are continuing challenges for councils to deliver a balanced budget within the current environment.

Council accounts are required to be prepared on a going concern basis of accounting. The Chief Financial Officer is required to assess the basis for the preparation of the accounts .

In recognition of the financial pressures Councils are facing we consider there is a risk Councils may be unable to continue as financially resilient entities.

## Audit Response

We will consider the Chief Financial Officer's assessment of the going concern basis for the preparation of the accounts.

We will consider the detailed disclosures regarding the financial position included within the 19/20 Statement of Accounts.

We will examine the recovery plan Council has produced as a consequence of the Covid 19 pandemic.

We will examine cash flows and projections for 20/21 and beyond.

We will consider the impact of our assessment on the LG Auditors audit opinion.