

STANDARDS AND AUDIT COMMITTEE – 28 NOVEMBER 2019

ANNUAL AUDIT AND INSPECTION LETTER

Executive Summary

At the last meeting of the Standards and Audit Committee on 19 September 2019, a written update was received from the Council's external auditors, BDO, on the progress of the External Audit which had not yet been signed off. A further update is attached to this report setting out the current status of the Audit.

Recommendations

The Committee is requested to:

RESOLVE That the update be received.

The Committee has the authority to determine the recommendation(s) set out above.

Background Papers: None.

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Woking Borough Council - External Audit 2018/19 - Update to Standards and Audit Committee 28 November 2019

2018/19 Audit Opinion

Following on from our previous communication to the Standards and Audit Committee on 19 September 2019, the audit opinion for the 2018/19 financial statements remains unsigned by us. We have confirmed with management that it is our intention to sign before the year end.

Current status of audit

We are currently exploring the following areas to ensure we have the necessary assurance for our audit file and for us to sign our opinion:

- Consolidation adjustments - The group structure of Woking Borough Council is more complex than most other district councils. We have reviewed the consolidation schedules provided but we have further questions to ensure our understanding is complete. We have arranged a time to come to the Council to discuss these questions.
- Valuation of subsidiary investment properties - The investment properties held by the Thamesway Group are not revalued year on year. The last revaluation was in 2015. Applying a simple indexation on the additions and total value year on year provides a valuation that is £2.5m higher than the reported valuation. We will be considering this as an unadjusted audit difference.
- Car park valuation - A revised valuation of the car parks owned by the Council was undertaken post audit. We need to review the input data provided to the valuers to ensure the assumptions used to build the valuation is accurate and complete.

Going forward

We will continue to work with the Council officers to ensure our audit opinion is signed as soon as possible. We have started conversations with council officers to begin putting steps in place for the next audit cycle that will help with our audit timetable for the next reporting period.

Yours sincerely,

Leigh Lloyd-Thomas

