



# Annual Audit Letter 2016/17

**Woking Borough Council**

October 2017

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Neil Hewitson, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers ([andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

This Annual Audit Letter summarises the outcome from our audit work at Woking Borough Council in relation to the 2016/17 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2016/17 on 29 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.</p> <p>To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.</p>
<b>VFM risk areas</b>	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.</p> <p>We assessed whether the Authority has robust systems and processes to effectively manage financial risks and opportunities and to secure a stable financial position that enables it to operate for the foreseeable future. We did this by reviewing the Medium Term Financial Strategy (MTFS) for 2016/17 to 2021/22 and by reviewing relevant minutes from Council meetings to support our understanding of processes followed in setting the MTFS.</p> <p>We reviewed the budget process and assumptions included such as savings estimates. In particular, the MTFS states that the Authority must find £7.5m of savings over the 5 years to 2022. We enquired with the managers of each of the main departments about the assumptions underpinning the MTFS, and they felt the assumptions were reasonable based on past performance. In 2016/17 there was an underspend of £981k, with a forecast underspend in 2017/18 of £296k.</p> <p>We performed an analysis of historic borrowing rates, and comparison with reserves. This included an analysis of where the majority of savings have come from the assumptions underpinning the Medium Term Financial Strategy.</p> <p>We have not identified any significant concerns with the financial resilience of the Authority that would impact on our value for money conclusion.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on the Authority's financial statements on 29 September 2017. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements also include those of the Authorities group</p>
<b>Financial statements audit</b>	<p>There was one immaterial audit difference that was adjusted (£1,544k) relating to consolidation adjustments..</p> <p>Our audit identified a number of minor amendments focused on presentational errors or improvements for the Council. These have all been amended. The Finance team is committed to continuous improvement in the quality of the financial statements submitted for audit in future years.</p>

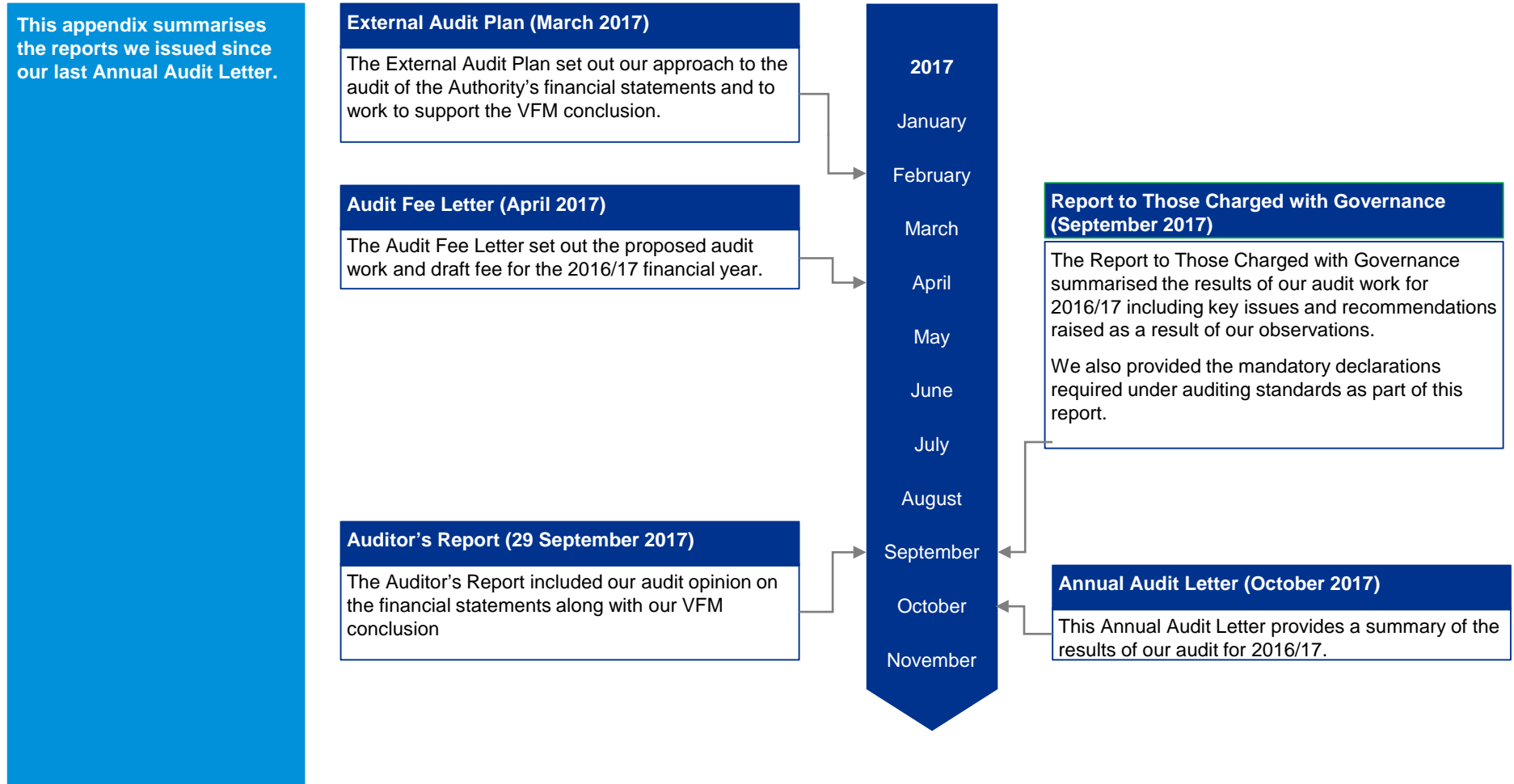
## Section one

# Headlines (cont)

We have issued our certificate to confirm the completion of our audit responsibilities for the 2016/17 audit year.

<b>Other information accompanying the financial statements</b>	We reviewed your Annual Governance Statement and concluded that it was consistent with our understanding.
<b>Whole of Government Accounts</b>	We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.
<b>High priority recommendations</b>	We raised no high priority recommendations as a result of our 2016/17 audit work.
<b>Certificate</b>	We issued our certificate on 29 September 2017. The certificate confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.
<b>Audit fee</b>	Our fee for the audit was £54,702 excluding VAT (£54,702 excluding VAT in 2015/16). This fee was in line with that highlighted in our audit plan approved by the Standards and Audit Committee on 9 March 2017. Our fee for the certification of Housing Benefits is £7,208 excluding VAT (£7,208 excluding VAT in 2015/16).

# Appendix 1: Summary of reports issued





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