



Report to the Standards and Audit Committee
WOKING BOROUGH COUNCIL

Audit Progress: year ended 31 March 2020

24 November 2022

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Overview

The purpose of this report is to provide members of the Standards and Audit Committee an update on the progress of our work to obtain sufficient assurance over the subsidiary entity balances consolidated into the Council's group financial statements.

We reported to a previous meeting of this Committee that our testing of the transactions and balances within the Council's subsidiary entities was not yet complete.

Members will be aware that Hamlyn's LLP, a local accountancy firm, were responsible for both preparing the financial statements of the subsidiary entities, and the statutory audit of those financial statements. However, on 31st October 2021 Hamlyn's LLP ceased to trade and was taken over by a new company with new ownership. The LLP resigned as auditors to the Thamesway subsidiaries prior to ceasing to trade. All of the staff employed by the LLP on the subsidiary entities were re-employed with other firms. The new company have never been the auditors of the subsidiary entities, nor have they prepared the financial statements.

Earlier this year we reviewed a number of the working papers prepared by Hamlyn's LLP. That review identified a number of follow-up questions, particularly in relation to asset valuations. We have been unable to obtain answers to the questions, and have concluded that in order to complete our audit of Woking Borough Council, we propose to test relevant transactions and balances directly.

Appendix 1 provides a summary of the balances we have determined as being relevant to our audit. This include the value consolidated within the Council's group financial statements.

Appendix 2 provides a summary of the work we propose to undertake.

Steve Bladen

22 November 2022



APPENDIX 1: THAMESWEY BALANCES

	Thameswey Developments Ltd £000	Thameswey Housing Ltd £000	Thameswey Energy Ltd £000	Thameswey Central Milton Keynes Ltd £000	Thameswey Solar Ltd £000
Investment property	11,433	182,733			
Assets Under Construction		71,185	6,990		
Vehicles, Plant & Equipment			13,953	15,354	
Inventory	29,073	50,252			0
Short-Term debtors	27,719				
Short-Term creditors		-22,691			

Income and Expenditure

In addition to the amounts above, the Council's group financial statements consolidate expenditure of £17.6 million and income of £21.3 million.

APPENDIX 2: THAMESWEY BALANCES

	Thameswey Developments Ltd £000	Thameswey Housing Ltd £000	Thameswey Energy Ltd £000	Thameswey Central Milton Keynes Ltd £000	Thameswey Solar Ltd £000
<u>Investment Property</u>					
Test sample of additions		✓			
Test valuation at balance sheet date	✓	✓			
Test basis of reclassification		✓			
<u>Assets Under Construction</u>					
Test sample of additions		✓	✓		
<u>Vehicles, Plant & Equipment</u>					
Test sample of additions			✓		
Test basis of depreciation charge			✓	✓	
Test valuation at balance sheet date			✓	✓	
<u>Inventory</u>					
Test valuation of work in progress at balance sheet date	✓	✓			
Test in year disposals					✓
<u>Short-Term debtors</u>					
Test basis of amounts recognised as recoverable on long term contracts	✓				
<u>Short-Term creditors</u>					
Test basis of deferred income calculation		✓			

Income and Expenditure

Income and expenditure will be subject to sample testing against relevant supporting documentation.



FOR MORE INFORMATION:

STEVE BLADEN

t: +44 (0)20 3860 6563
m: +44 (0)7870 514535
e: steve.bladen@bdo.co.uk

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