

EXTERNAL AUDIT REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2018-19

Executive Summary

Attached as Appendix 1 is the External Auditor's report to those charged with Governance (ISA 260) for 2018/19. Included in the report is a draft Management Representation letter, a copy of which will be signed following approval of the Statement of Accounts by Council on 25 July 2019.

In their report, the External Auditor draws the Committee's attention to the matters of concern discovered during the audit, and any adjusted or unadjusted audit differences. The External Auditor has raised one recommendations as a result of their work on the audit which related to the processes in place to ensure income and expenditure is recorded in the correct year.

Four adjustments are proposed to the draft accounts published in May. The Council advised the External Auditor of three of the adjustments prior to the audit commencing. The remaining change relates to the calculation of the pension liability where a national issue has affected the valuations for all Councils this year.

The Standards and Audit Committee, in its role of governance and overseeing audit arrangements, is requested to receive the report and make any comments to full Council on 25 July 2019 as part of the Council's consideration of the Annual Statement of Accounts.

Recommendations

The Committee is requested to:

RECOMMEND TO COUNCIL That the Report To Those Charged with Governance (ISA 260) 2018/19 be received.

The item above will need to be dealt with by way of a recommendation to Council.

Background Papers: None.

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Date Published: 18 July 2019

External Audit Report to Those Charged with Governance (ISA 260) 2018-19

1.0 Introduction

- 1.1 Attached as Appendix 1 is the External Auditor's report to those charged with Governance (ISA 260) for 2018/19. The report includes a draft Management Representation letter, a copy of which will be presented to Council on the 25 July 2019 for signature after approval by Council.
- 1.2 In their report the External Auditor, BDO, draws the Committee's attention to matters of concern discovered during the audit. The report also sets out any significant adjusted or unadjusted audit differences.
- 1.3 Four adjustments are proposed to the draft accounts published in May. The Council advised the External Auditor of three of the adjustments prior to the audit commencing. The remaining change relates to the calculation of the pension liability where a national issue has affected the valuations for all Councils this year.
- 1.4 The audit has identified one difference, £137,000, which related to the timing of income from parking permits. The report notes this finding but as it is not material the accounts will not be adjusted for this amount.
- 1.5 One recommendation has been raised as a result of the audit work which relates to the processes in place to ensure income and expenditure is recorded in the correct year.
- 1.6 The External Auditor anticipates issuing an unmodified audit opinion on the Group and the Council financial statements.

2.0 Implications

Financial

- 2.1 There are no financial implications arising from this report.

Human Resource/Training and Development

- 2.2 There are no specific HR, training and development issues arising.

Community Safety

- 2.3 There are no community safety issues.

Risk Management

- 2.4 The External Auditor had raised one recommendation as a result of their audit this year.

Sustainability

- 2.5 There are no specific sustainability issues.

Equalities

- 2.6 There are no equalities issues.

3.0 Conclusions

- 3.1 The Statement of Accounts will be presented for approval by Council on 25 July 2019 together with the External Auditor's report, the Management Representation letter and any comments this Committee wishes to make on the report.

External Audit Report to Those Charged with Governance (ISA 260) 2018-19

- 3.2 The Auditors have indicated that they anticipate issuing an unqualified audit opinion by 31 July 2019 in accordance with the statutory timetable.
- 3.3 The Standards and Audit Committee, in its role of governance and overseeing audit arrangements, is requested to receive the report and make any comments to full Council.

REPORT ENDS