

**EXTRACT FROM THE MINUTES OF THE STANDARDS AND AUDIT REPORT
AND RECOMMENDATION TO COUNCIL**

Executive Summary

At its meeting on 18 July 2019, the Standards and Audit Committee received the External Audit report to those Charged with Governance (ISA 260) 2017/18. An extract from the draft minutes is set out below.

“The Chairman welcomed Leigh Lloyd-Thomas and Matthew Vosper from the Council’s External Auditor, BDO, to the meeting for the Auditor’s report to those charged with Governance (ISA 260) 2018-19.

The Committee was advised that the statutory responsibility of the External Auditor was to issue an opinion on the Council’s financial statements along with a value for money conclusion. An unqualified opinion was anticipated to be issued for both relating to the 2018/19 financial year. Due to the slightly later start of the Audit following the recent merger involving BDO, there were a number of areas where work had not yet been finalised which had been highlighted in green throughout the report, in particular the valuation of investment properties held by the Council and its subsidiary companies.

A total of four adjustments had been proposed to the draft Statement of Accounts published in May 2019, three of which the Council had reported to BDO prior to the Audit commencing. The remaining change related to the calculation of the pension liability due to a national issue affecting valuations for all Councils during the current year. In addition, the Audit had identified one difference of £137,000 relating to the timing of income received from the sale of parking permits. The Accounts would not be adjusted as the amount was below the level of materiality required, which was stated to be £2.6m for the Comprehensive Income and Expenditure Statement and £15.5m for the Balance Sheet.

A recommendation had been raised as a result of the audit work relating to the processes in place to ensure income and expenditure were recorded in the correct year. In addition, the Committee was advised that in future years BDO would suggest changes to the formatting of the Accounts in light of CIPFA guidelines on presentation. It was noted that changes could be considered, however it was important that they made a positive contribution towards enhancing accessibility for members of the public.

RECOMMENDED TO COUNCIL that the Report to Those Charged with Governance (ISA 260) 2018/19 be received.“

Recommendations

The Council is requested to:

RESOLVE That the Report to Those Charged with Governance (ISA 260) 2018/19 be received.

The Council has the authority to determine the recommendation set out above.

Statement of Accounts 2018-19 – Supplementary Report

Background Papers: None.

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