

**Woking Borough Council
External Audit 2018/19 - Update to Standards and Audit Committee
19 September 2019**

Missed Deadline

As at 31 July 2019 we were unable to issue our audit opinion on the Woking Borough Council accounts and the Group accounts. This deadline was missed due to several unprecedented issues that meant time and resources on our team were squeezed to an extent that meant we were unable to deliver to the deadline.

A number of audits missed the deadline this year not only from the BDO portfolio of local authorities but also across other firms and the wider sector.

This was a particularly challenging year for local government auditors, including late adjustment to all local authority pension valuations, increased attention and scrutiny on PPE and Investment Property valuations as well as being the first year of a new PSAA framework contract with first year audits to undertake.

We were presented with a unique challenge to completing our audit of the Woking borough Council as not only was this our first year auditing the Council but there was a change in auditor mid-way through the year after the merger of two audits firms and there has been very significant levels of capital expenditure by the council and in the subsidiary entities.

Current status of audit

Our audit fieldwork has been substantially completed. As we reported in our ISA 260 key outstanding matters included: work on PPE and Investment Property valuations, final consolidation adjustments and review of component auditor work, receipt of pension confirmation queries from pension fund auditor and review by Manager and Partner and subsequent clearance of review points.

We have since obtained all necessary confirmations from the component auditors and from the pension fund auditors. We are currently making sure our audit file contains all necessary assurance we need to sign our opinion including reviewing the work undertaken by the auditor of the subsidiary entities. Our work is still in progress in this area.

We have nothing further to bring to members' attention from our previous report to you on 18 July 2019. We will issue a final ISA 260 Completion Report once our audit has been finalised and we are in a position to provide the final audit opinion.

In terms of the requirements under the Accounts and Audit Regulations, the Council has an obligation to post their Statement of Accounts by the 31 July noting that the auditor has not yet issued his opinion. This was duly done by the Council.

Going forward

We understand that this is a disappointing outcome for the Council and the hard work put in by the all the officers. The missed audit deadline is in no-way a reflection of the Council. Conversations have started with all key stakeholders in the sector and will continue to ensure the issues and situation that arose this year are not repeated.

We will continue to work with the Council officers to ensure our audit opinion is signed as soon as possible and no further unnecessary delays are encountered.

Yours sincerely,

Leigh Lloyd-Thomas