

REPORT TITLE: AUDIT RESULTS REPORT FOR THE YEAR ENDED 31 MARCH 2020

12 NOVEMBER 2020

REPORT OF CABINET MEMBER: CLLR CUTLER – DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND RISK

Contact Officer: Liz Keys Tel No: 01962 848226 Email Lkeys@winchester.gov.uk

WARD(S): ALL

#### PURPOSE

The *Audit Results Report for the Year Ended 31 March 2020* is presented by the council's external auditors, Ernst & Young (EY). The report summarises their preliminary conclusions from the audit of the Financial Statements for 2019/20 and those from their work on the council's arrangements to secure value for money in the use of resources.

#### RECOMMENDATIONS:

That the Audit and Governance Committee:

1. Consider the matters presented in the Auditor's Report (Appendix 1) and take the opportunity to raise any points of clarification of concerns with EY, who will be present at the meeting.
2. Approves the Letter of Representation (Appendix 1)

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 *Your Services, Your Voice* - The audit of the Annual Financial Report and of the council's arrangements to secure value for money in the use of resources is fundamental to open and transparent accountability for public finances. Ensuring strong financial reporting and transparent stewardship of public funds underpins the council's ability to deliver all its outcomes but in particular the priority to ensure stable council finances. .

### 2 FINANCIAL IMPLICATIONS

The planned fee for the audit of the 2019/20 accounts is £43,379. EY have raised with officers an increase to fees for work they consider necessary in their assurance work on the Annual Financial Report 2019/20. An additional Scale Fee Variation of £801 has already been submitted for work on the Hampshire Pension Fund. Additional fee is also to be requested for work required in relation to Covid-19, it is not yet known how much the additional fee will be.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

### 4 WORKFORCE IMPLICATIONS

- 4.1 None.

### 5 PROPERTY AND ASSET IMPLICATIONS

None.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 Following conclusion of the External Audit a public notice is issued to confirm that the audited Annual Financial Report is available for inspection.

### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

### 8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None.

### 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None.

### 10 RISK MANAGEMENT

10.1 None.

11 SUPPORTING INFORMATION:

11.1 The Annual Results Report for the year ended 31 March 2020 details the work the external auditor undertook and any audit differences or reporting issues they identified during the course of this review. EY's report is appended in full to this paper.

11.2 EY are expecting to issue an unqualified audit opinion on the financial statements before the statutory deadline of 30 November 2020 but this is subject to completing the outstanding areas of their audit work. Areas of work that the auditor is yet to complete include:

- i. Property Plant & Equipment assets and Investment Property asset testing.
- ii. Receipt and review of EY Real Estates report which is testing the valuation methodology for a sample of WCC Existing Use Value (EUV) and Fair Value (FV) assets.
- iii. Testing of EUV and FV assets.
- iv. Review of client assessment of Going Concern.
- v. Creditors and Debtors testing.
- vi. Housing Benefits expenditure testing.
- vii. Review of contracts – 1 outstanding to receive
- viii. Completion of subsequent events review

11.3 The auditors have no matters to report on our arrangements to secure economy, efficiency and effectiveness in your use of resources.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

[AG0026 Planning for and the Audit of Accounts 2019-20](#)

Other Background Documents:-

None.

APPENDICES:

Appendix 1 Audit Results Report for year ended 31 March 2020

