

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 23 November 2020

Report of: The Deputy Chief Executive Officer

Subject: EXTERNAL AUDIT – AUDIT RESULTS REPORT

SUMMARY

The Committee is asked to consider the External Auditor's Audit Results Report (Appendix A), summarising the findings from the audit of the 2019/20 accounts which is now substantially complete.

Having considered the findings of the External Auditor and the Statement of Accounts, a "letter of representation" will be sent from the Council's Section 151 Officer (Deputy Chief Executive Officer) to the External Auditor. This will enable the External Auditor to issue their audit report on the Council's financial statements. The Statement of Accounts can then be published by the statutory publication deadline, 30 November 2020.

RECOMMENDATION

It is recommended that: -

- (a) the Audit and Governance Committee notes the contents of the draft Annual Results Report (Appendix A);
- (b) the Audit and Governance Committee approve the following rationale for the following two unadjusted audit differences in the financial statements, which will be included in the letter of representation:

We have not corrected these differences identified by and brought to the attention from the auditor because:

- *For the Pension Fund, the audit difference of £891,000 in relation to the Fair Value of plan assets is not material in relation to the net pension fund liability on the balance sheet of £62.3 million.*

- *For Investment Property valuations, the net audit difference of £578,000 is not material in relation to the total Investment value of £64.1 million.*

and

- (c) the Deputy Chief Executive Officer and the Chairman of the Audit and Governance Committee sign the Letter of Representation, subject to the external auditors completing their outstanding procedures and any further amendments to the accounts, or the Letter of Representation, being agreed by the Deputy Chief Executive Officer in consultation with the Chairman of the Audit and Governance Committee.

Background and Reference Papers: None

Enquiries: For further information on this report please contact Andrew Wannell.
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