



The Royal Borough of Windsor & Maidenhead

Audit Status Update Report to the Audit and Governance Committee on the audit for the year ended 31 March 2020

Issued 10 February 2023 for the meeting on 16 February 2023

Audit Status Update Report

We have set out below an update on the status of the 2019/20 audit for the Audit and Governance Committee (“the Committee”) of the Royal Borough of Windsor & Maidenhead (the Council, “RBWM”).

Status of the audit	<p>We reported to the Audit and Governance Committee on 22 September 2022 on our findings and the status of the audit. We highlighted that the Council was awaiting the issue of a Statutory Instrument (enacted 25 December 2022), and accompanying CIPFA guidance (issued in January 2023) to enable consideration of any impact on its Infrastructure assets and the form of consequent changes to the financial statements.</p>
	Infrastructure Assets
	<p>Following the issue of the Statutory Instrument and the accompanying January 2023 CIPFA guidance, the Council has taken the statutory override and updated the disclosures in the financial statements meaning that only the net book value of infrastructure assets is disclosed, and no disposals were required to be recorded.</p>
	<p>Following issue of CIPFA’s guidance, which included guidance on asset lives, Deloitte has challenged further the assumptions on asset lives where outside of the indicative ranges noted by CIPFA. We have also tested the adjustments and disclosures made in the financial statements.</p>
	<p>Our testing in this area is complete subject to completion of quality assurance reviews.</p>
	Investment Properties
	<p>In finalisation of our procedures noted in our previous report, we identified that some investment properties had been omitted from the information provided to valuers as at 31 March 2020 (and in some cases at 31 March 2021), with a carrying value of £14.5m before adjustments. Management have reviewed the circumstances of each asset to consider whether there were indications that the value should be adjusted, and have identified adjustments of £6.1m in respect of certain of the assets. These adjustments have been reflected in the updated financial statements. We have engaged our internal valuation specialist in evaluating the adjustments made. Our final report will include a control finding in respect of the controls over provision of information for valuation.</p>
	Remaining procedures
	<p>The remaining matters to conclude before signing the financial statements:</p>
	<ul style="list-style-type: none">• Finalisation of internal quality assurance reviews.• Update of our subsequent events review to the date of signing (updating procedures already performed).• Receipt of the signed management representation letter and Statement of Account for signing.
	<p>The Annual Audit Letter will follow the signing of the audit opinion for issue to members and for publication on the Council’s website.</p>
Conclusions from our testing	<p>Subject to satisfactory completion of the outstanding audit work, we anticipate issuing an unqualified opinion on the Statement of Accounts with an “except for” qualification of our value for money conclusion. The Statement of Accounts audit opinion will include an emphasis of matter in relation to material uncertainties over the property valuation as at 31 March 2020 as a result of the Covid-19 pandemic. This is a common feature of 2019/20 audit opinions where property is held on a revaluation basis. This relates to the operational and investment property held directly by the Council only.</p>
Pension fund	<p>The audit of the pension fund is complete (subject to completion of our subsequent events review and receipt of the representation letter) and we will issue our opinion alongside the opinion on the council financial statements.</p>



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