



Audit of the Group Financial Statements 2018-19

Flintshire County Council

STATEMENT OF ACCOUNTS

DRAFT

2018-19



Date: August 2019

Overall findings

The Auditor General intends to issue an **unqualified audit report** on the 2018-19 group financial statements of Flintshire County Council

We concluded that:

- The financial statements were produced to a good standard and were supported by comprehensive working papers.
- There are no uncorrected misstatements.
- There are some issues to report to you, as those charged with governance, prior to their approval.

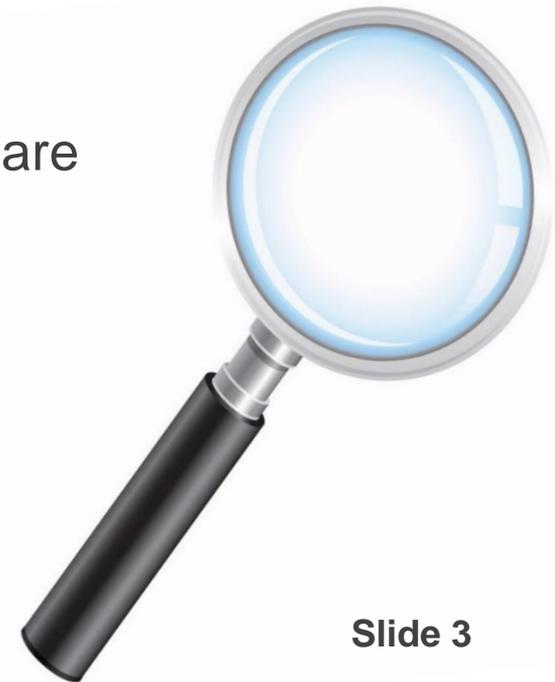
Auditor General's responsibilities

Responsibility - the Auditor General (Appointed Auditor) is responsible for providing an opinion on the financial statements:

- Give a true and fair view of the financial position.
- Are prepared in accordance with the CIPFA Code of Practice.

Materiality - we adopt a concept of materiality, and are not giving absolute assurance.

- The quantitative materiality determined for audit of the group financial statement is £4.2 million.



Audit Position

Status of the audit

- The financial statements were received on the 7 June 2019, one week earlier than last year and one week before the statutory deadline.
- The audit was largely completed by 23 August 2019, three weeks earlier than the statutory deadline.
- The Appointed Auditor will give his audit opinion and certificate following approval by the County Council and receipt of the signed Letter of Representation.

Issues arising from the audit

Property, plant & equipment and investment property

Difficulties were encountered with testing the Council's land and buildings assets resulting in our work taking longer than planned as:

- Working papers produced by the Valuation and Estates team were inconsistent and not subject to effective quality assurance checking.
- Errors in the use of source data when producing land and buildings valuations.
- Slow responses to audit queries.

Issues Arising from the Audit

There was one material amendment as a consequence of the 'McCloud' judgement:

- In December 2018, the Court of Appeal ruled against the Government concluding that changes made to pension schemes discriminated against a group of public officers on the grounds of age.
- The cost of providing a remedy to affected employees is likely to be significant for public sector pension schemes.
- The financial impact of this legal judgement has been calculated by the Council in conjunction with the Clwyd Pension Fund Actuary, resulting in an additional liability of £12 million.

The covering report of the Corporate Finance Manager also contains a **number of other non material misstatements that have been corrected by management.**

Independence

We have mitigated the known threats to the independence of the Auditor General and his staff:

- Our audit plan highlighted that one member of the audit team had a family member employed as a teacher at the Council.
- We confirm the team member has not been involved at any work relating to the school or any specific examination of the education service and its payroll transactions.

Looking ahead

The Council is well placed to meet the earlier statutory deadline from 2020-21

- The Council prepared its draft 2018-19 financial statements in advance of the statutory deadline.
- We'll work with the Council as it plans a 'dry run' in 2019-20 for producing its draft financial statements by 31 May 2020 and concluding our audit by 31 July 2020.

Annual financial statements	Financial statements signed by the responsible finance officer (Section 151 Officer)	Financial statements approved by the Council and published (with the signed audit certificate or an explanation for its absence)
2018-19	15 June 2019	15 September 2019 
2019-20	15 June 2020	15 September 2020 Dry run
2020-21 and thereafter	31 May 2021	31 July 2021