

Audit Completion Report Cotswold District Council

For the year ended 31 March 2025



Date: 14 January 2026

Audit and Governance Committee
Cotswold District Council
Trinity Road, Cirencester
Gloucestershire, GL7 1PX
United Kingdom

Dear Members

Cotswold District Council – Audit Completion Report

We are pleased to attach our Audit Completion Report. This report summarises our audit conclusions, highlights the key findings arising from our work and details a number of points that we would like to discuss further with you.

We have initially discussed the contents of our report with management and incorporated their comments where relevant.

This report is intended to be solely for the information and use of management and those charged with governance of the Council and should not be shared with anyone beyond the Council without our prior approval.

We would like to take this opportunity to thank the finance team for the co-operation and assistance afforded to us during the course of the audit.

Kind regards

Yours faithfully

Bishop Fleming Audit Limited

Bishop Fleming Audit Limited

Contents

1. Executive summary	2
2. Introduction	4
3. Accounts and audit process	6
4. Audit risks.....	8
5. Audit Adjustments.....	13
6. Management letter points and internal control systems.....	14
7. Other matters.....	16

Appendices

1. Letter of representation
2. Required communications with the Audit and Governance Committee

1. Executive summary

Status of audit

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (the Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Council at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Our audit is largely complete, however, it is subject to the resolution of certain outstanding queries outlined in section 2. Subject to the satisfactory finalisation of these points, we anticipate issuing an unmodified audit report.

Key audit issues

Within our Audit Plan which was presented to the Audit and Governance Committee in May 2025, we outlined a number of risks that we considered to be of particular significance to the audit. Our plan also detailed our planned approach for addressing each of these risks.

The specific significant risks highlighted were as follows:

- Management override of controls;
- Valuation of investment properties;
- Valuation of land and buildings; and
- Valuation of the pension fund net liability.

Our audit work has been substantially completed on each of the above areas, subject to final senior reviews, and is further detailed in section 4 of this report.

Audit Adjustments

During the course of our work, adjustments were identified and, on agreement of management, were amended in the financial statements.

Further adjustments were proposed but not made, as those charged with governance do not consider them to be material to the financial statements. We accept this explanation.

Full details of the adjustments identified are included in section 5 of this report.

Management Letter Points and Internal Control Matters

Recommendations were identified during the course of our work and these are further detailed in section 6 of this report. Of the matters noted, none are considered to have an important effect on your system of internal control.

Value for Money

We are also required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025. The Code requires us to report on the Council's arrangements under three specified reporting criteria:

- Financial sustainability – how the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Council ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our work identified a significant weakness in the Council's arrangements in respect of its procurement arrangements; see section 7 for more details. The results of the Value for Money work were reported separately in our Auditor's Annual Report to the Audit and Governance Committee in December 2025.

Independence

The FRC Ethical Standard and ISA 260 requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our independence and objectivity. The aim of these communications is to ensure full and fair disclosure by us to those charged with governance on matters in which you have an interest.

We are not aware of any relationships that, in our professional judgment, may reasonably be thought to bear on our independence or the objectivity of the audit engagement team.

We confirm that in our professional judgment, Bishop Fleming is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff has not been compromised.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. Should you have any specific matters that you wish to discuss, please contact us.

2. Introduction

Responsibilities of the audited body

The audited body is responsible for the preparation of the financial statements and for making available to us all the information and explanations we consider necessary. Therefore, it is essential that it confirms that our understanding of all matters referred to in this report are appropriate, having regard to its knowledge of the particular circumstances.

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of Cotswold District Council.

In consequence, our work did not encompass a detailed review of all aspects of the system and controls and cannot be relied upon necessarily to disclose possible frauds or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might reveal.

Materiality

In carrying out our audit work we have considered whether the financial statements are free from 'material misstatement'. Materiality is an expression of the relative significance of a particular matter in context of the financial statements as a whole.

In general, misstatements, including omissions, are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the size and the nature of the misstatement, or a combination of both. It is also affected by our perception of the financial information needs of users of the financial statements.

	Basis of materiality	Amount
Cotswold District Council	2% of gross expenditure	£1,014,000

The level of materiality is unchanged since our Audit Plan.

Anticipated audit report

Subject to the satisfactory resolution of the outstanding items, and to receiving all outstanding information set out overleaf, we anticipate issuing an unmodified audit report on the financial statements of Cotswold District Council for the year ended 31 March 2025.

Letter of Representation

The draft letter of representation is attached at Appendix 1.

Update on our planned approach

Our audit work was carried out in accordance with our Audit Plan in response to the perceived audit risks. No matters were identified which required us to change our approach and no additional risks were identified.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- Resolving outstanding queries with regard to the cash flow statement;
- Finalising sample testing of lease documentation where the Council is the lessor; and
- Senior review of working papers and the accounts.

We will also need to complete the following tasks as part of our normal completion procedures:

- Consideration of any post balance sheet events prior to opinion being issued;
- Final review of the financial statements;
- Confirmation of the approval of the financial statements by the Council; and
- Receipt of the signed management representation letter.





Confidentiality

This document is strictly confidential and although it has been made available to those charged with governance to facilitate discussions, it may not be taken as altering our responsibilities to the Council arising under the Local Audit and Accountability Act 2014 (the Act) and from the Code. The contents of this report should not be disclosed to third parties without our prior written consent.




3. Accounts and audit process

The preparation of the financial statements is a vital process for the management of the Council and one which should be performed on a timely basis. We met with senior officers as part of our planning work to discuss how we would work together to make the audit process effective.

We discussed key accounting issues early, so they could be considered before the audit commenced.

Readiness for audit		<i>Amber</i>
Quality of financial statements		<i>Green</i>
Accuracy of financial records		<i>Green</i>
Quality of working papers		<i>Green</i>
Availability of Staff		<i>Green</i>

Key (Impact on audit approach)

None or limited impact		<i>Green</i>
Some impact		<i>Amber</i>
Significant impact		<i>Red</i>

We invested significant time into the audit running as smoothly as possible. At the start of the audit, we held a planning meeting with the finance team to deliver the audit plan and give clear expectations of timeline of the work. During the final audit, we had frequent catch-up calls with the finance team, and daily email correspondence.

As a result of the investment made by both parties, the audit generally proceeded smoothly. However, challenges with audit staff continuity and delays in receiving requested information combined to extend the audit beyond its original timeline.

We are keen to continually improve our service and the effectiveness of the process and, therefore, will hold a debrief discussion with management to identify areas where this might be possible.

Readiness for audit

The draft financial statements were provided in accordance with the agreed timetable outlined in our Audit Plan.

However, there were delays in resolving queries and fulfilling requests, partly due to audit staff continuity issues, which resulted in delayed follow-ups and some repeated requests. We also noted that the finance team does not have full control over sourcing all required evidence, making some delays inevitable. We will work closely with the finance team to identify and implement actions that will help streamline this process for next year.

Quality of financial statements

We have not identified any significant omissions from the unaudited financial statements. However, we noted improvements to the Council's lease disclosure following the changes to the CIPFA Code for 2024/25 adopting IFRS 16. There were also a small number of typographical and calculation errors that were noted during the casting process.

Accuracy of financial records

The majority of the underlying financial records were accurate, agreed to the information provided in the audit file and were easy to understand. We followed up on a few items where the external documents had inconsistent information and received reasonable explanations in all cases.

Quality of working papers

The quality of the working papers and supporting evidence provided was generally good. Some clarification questions were raised to enable understanding of the information provided but no omissions or issues in the working papers provided were noted.

Availability of Staff

Key members of the finance team made themselves available to us throughout the audit where possible. We were kept informed of any instances when staff were not available.

We were able to arrange semi-regular calls with the team throughout the audit, which enabled continued progression and monitoring of the audit.

4. Audit risks

Significant risks:

Management override of controls	
Significant Risk We are required by auditing standards (ISA 240) to consider fraud and management override of controls to be a significant risk for all audits as no matter how strong a control environment, there is the potential for controls to be overridden or bypassed.	Work done and conclusion To address this risk, we have: <ul style="list-style-type: none">• reviewed the reasonableness of accounting estimates and critical judgements made by management;• tested journals with a material impact on the results for the year; and• considered a sample of other journals with key risk attributes. In testing journals, we used data analytics tools to interrogate the whole population of journals posted in the year and focus on those with key risk factors. We have not identified any material errors from our work carried out, subject to completion of final senior reviews.

Significant Risk

There is a risk over the valuation of land and buildings due to the high degree of estimation uncertainty, and judgements involved in build valuations.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert;
- spoken with the valuer to confirm the basis on which the valuation was carried out;
- confirmed that the basis of valuation for assets valued in year is appropriate based on their usage;
- reviewed the appropriateness of assumptions used in the valuation of land and buildings. For assets not formally revalued in the year we assessed how management has satisfied itself that these assets are not materially different from the current value at the year-end;
- reviewed accuracy and completeness of information provided to the valuer, such as floor areas;
- tested a sample of revaluations made during the year to ensure that they have been input correctly into the Council's asset register; and
- formed our own expectations regarding the movement in property values and comparing these to the valuations reflected in the Council's financial statements, following up valuation movements that appear unusual.

We identified an immaterial calculation error in the valuation of the Trinity Road offices, see section 5 for further details.

Our testing is complete here and we have not identified any material errors from our work carried out.

Valuation of investment properties

Significant Risk

There is a risk over the valuation of investment properties due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions and judgements.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert;
- spoken with the valuer to confirm the basis on which the valuation was carried out;
- confirmed that the basis of valuation for assets valued in year is appropriate based on their usage;
- reviewed the appropriateness of assumptions used in the valuation of investment properties;
- reviewed accuracy and completeness of information provided to the valuer, such as floor areas;
- tested a sample of revaluations made during the year to ensure that they have been input correctly into the Council's asset register; and
- formed our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Council's financial statements, following up valuation movements that appear unusual.

Our testing is complete here and we have not identified any material errors from our work carried out.

Valuation of the pension fund net liability

Significant Risk

There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on the management expert;
- considered the accuracy and completeness of the information provided to the actuary;
- ensured that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary;
- carried out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- obtained assurances from the auditor of Gloucestershire Pension Fund in respect of the controls around the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

We have not identified any issues with the valuation method or approach used by the actuary. The Pension Fund auditor has identified an uncorrected misstatement, of which we have included the Council's share within the schedule of adjustments, see section 5 for further details.

Our testing is complete here and we have not identified any material errors from our work carried out.

As part of our planning, we rebutted the risks of fraud in revenue recognition (required under the ISAs) and fraud in expenditure recognition (required under the Financial Reporting Council's Practice Note 10: Audit of Financial Statements and regularity of public sector bodies in the United Kingdom).

Other risks:

Implementation of IFRS 16 Leases

Other risk

2024/25 was the first year in which local government bodies were required to implement the provisions of IFRS 16 leases.

There is a risk that the Council has not appropriately complied with IFRS 16.

Work done and conclusion

To address this risk, we have:

- Documented our understanding of the processes and controls put in place by management for identifying lease contracts, including those not covered by the transitional arrangements, and evaluate the design of the controls;
- Reviewed the appropriateness of assumptions used in calculating the estimate;
- Reviewed the completeness and accuracy of the data gathering exercise;
- Confirmed the appropriateness of application of exemptions for existing contracts such as short term and low value leases;
- Reviewed the required transitional disclosures and the application of the adjustment to the opening balances; and,
- Tested a sample of leases for accuracy in calculating the right of use asset and lease liabilities.

We have concluded that the Council has appropriately implemented the provisions of IFRS 16 as required by the CIPFA Code of Practice. We did, however, raise with management a small number of improvements in the relevant disclosures to reflect the changes to the disclosure requirements.

We have not identified any material errors from our work, subject to completion of final senior reviews.

5. Audit Adjustments

In accordance with the requirements of International Standards on Auditing, we must communicate all adjusted and unadjusted items identified during our audit work, other than those which we believe to be clearly insignificant.

Misclassifications and adjustments to disclosures

The table below provides details of any misclassification and disclosure changes identified during the audit.

Misclassification/ Disclosure change	Audit comment	Adjusted?
Leases disclosure	We requested that management amend their lease disclosures to better reflect the impact of the revised lease accounting treatment introduced by the adoption of IFRS 16, in line with the 2024/25 CIPFA Code.	✓
E2. Financial Instruments	Payments in Advance was disclosed as £1,120,550 in the note; however, this is inconsistent with the prepayments balance of £1,102,850 reported in Note D5. Debtors, resulting in a variance of £17,700.	✓

Unadjusted items

The table below provides details of adjustments identified during the 2024/25 audit which have not been made within the final set of financial statements. The Audit and Governance Committee is required to approve management's proposed treatment of all items recorded within the table below. (These are also set out in the Letter of Representation.)

	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
KPMG (the pension fund auditor) have reported an uncorrected misstatement on the total pension fund value. This overstates the pension fund's net assets by £2.7m, Cotswold DC's share of this misstatement is 3%, being £81k.	81	-	-	81
An error was identified in the valuation workings for the Trinity Road offices, with a total value of £5.2m, where the valuer omitted a deduction in their calculation for rental voids. Property, Plant and Equipment overstated with the corresponding adjustment posted to the revaluation reserve.	-	-	134	134
Total	81	-	134	215

6. Management letter points and internal control systems

The Council's management is responsible for the identification, assessment and monitoring of risk, for developing, operating and monitoring the systems of internal control and for providing assurance to the Audit and Governance Committee as 'Those Charged with Governance' that it has done so.

In accordance with the terms of our engagement we have not provided a comprehensive statement of all issues which may exist in the accounting and internal control systems or of all improvements which may be made, but outline below our observations arising from the audit; none of which are considered significant.

KEY:



Observations refer to issues that are so fundamental to the system of internal control that management should address immediately to minimise the risk of a material misstatement within the financial statements.



Observations refer mainly to issues that have an important effect on the system of internal control and, if left uncorrected could potentially lead to a material misstatement within the financial statements.



Observations refer to issues that would, if corrected, improve internal control in general and engender good practice, but is unlikely to have a material impact on the financial statements.

Current Year Issues

Splitting of Parish and Admin Community Infrastructure Levy (CIL) debtors	
<p>The Council currently includes all CIL debtors relating to parish and admin as short-term debtors even when not expected to be received within a year.</p> <p>Best practice would dictate that these should be split into long-term and short-term debtors.</p>	<p><u>Recommendation</u> These amounts should be split into long-term and short-term debtors to better represent the asset split.</p> <p><u>Management comment</u> We will split the Parish and Admin CIL debtors between short and long term as appropriate within the 2025/26 financial statements.</p>

Prior Year Issues – Resolved

Issue	
<p>The Council was unable to provide us with a building plan of the Corinium Museum. This meant that we encountered difficulties without additional enquiries to management in obtaining evidence over the Gross Internal Area (GIA), which is crucial in determining the valuation of a property.</p>	<p><u>2023/24 recommendation</u> We recommend that the estates team perform a review of building plans against known assets to ensure that records are complete and accurate.</p> <p><u>2024/25 update</u> The valuer carried out their own measurements as part of the current year valuation exercise and provided these measurements within their valuation workings to the audit team. On this basis, we conclude that this recommendation has been resolved.</p>

Issue	
<p>During our testing of fixed assets, we identified that one item within our sample had its value apportioned between the I&E and the Balance Sheet in line with the funding used to purchase it, which was partially revenue and partially capital.</p>	<p><u>2023/24 recommendation</u> We recommend that in future, purchases should be recognised either in the I&E or on the Balance Sheet according to their nature, and not the funding stream used to purchase them.</p> <p><u>2024/25 update</u> We did not see any cases of this in our additions sample so conclude that management has resolved the issue.</p>

7. Other matters

Other information

We are required to give an opinion on whether the other information published with the audited financial statements (for example, the Narrative Statement and Annual Governance Statement) is materially inconsistent with the financial statement or our knowledge as obtained during the audit.

We have nothing to report in this respect.

Reporting by exception

We are required to report to you by exception the following matters, if:

- the Annual Governance Statement does not comply with “Delivering Good Governance in Local Government: Framework 2016 Edition” published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Council under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report on these matters.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.

Going concern

Our work has not identified a material uncertainty related to going concern. We are satisfied that management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Value for money arrangements

We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025. The Code requires us to report on the Council’s arrangements under three specified reporting criteria:

- Financial sustainability – how the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Council ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Council uses information about its costs and performance to improve the way it manages and delivers its services.

We asked management to complete an evidenced self-assessment of the Council’s arrangements. We then reviewed the evidence provided and carried out follow-up work as appropriate to consider whether there are any significant weaknesses in the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources.

We identified a significant weakness in relation to the Council's arrangements in respect of its procurement arrangements. This related to an investigation by the Counter Fraud Enforcement Unit (CFEU) into procurement arrangements during 2024/25 which highlighted evidence of senior officers and an elected member involved in procurement being able to bypass or override the Council's procurement arrangements. We recommended that the Council urgently implement the recommendations made by the CFEU following its investigation. The Council should also ensure that procurement arrangements are periodically reviewed.

No further significant weaknesses in the Council's arrangements were identified.

The details of the results of the Value for Money work are reported separately in our Auditor's Annual Report, which was presented to the committee in December 2026.

Whole of Government accounts work

Alongside our work on the financial statements, we also review and report to the National Audit Office on the Council's Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We have not yet completed the limited procedures required in the National Audit Office's group instructions in respect of our work on the Council's WGA submission. This will be done alongside issuing the audit opinion on the Council's accounts.

Audit certificate

At the end of the audit, as auditors, we are required to certify the completion of the audit. The effect of this certificate is to close the audit and marks the point when the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.

We will be unable to issue our audit certificate alongside the auditor's opinion on the accounts until we have received confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

Audit fees

Our final fee for the 2024/25 audit is set out below:

	Fee proposed at planning stage (£)	Final fee (subject to approval by PSAA) (£)
PSAA scale fee 2024/25	151,327	151,327
Fee variation 1 – Additional procedures for the implementation of IFRS 16	TBC	4,982
Fee variation 2 – VFM: additional procedures in relation to the procurement significant weakness including meetings/ discussions with senior officers and elected members and review of the Council's own internal investigation as well as internal consultation in line with our internal procedures. See paragraph at the top of Page 17.		7,475
Total (excluding VAT)	TBC	163,784

We can confirm that we have not undertaken any non-audit work at the Council during the year.

Appendices



1. Letter of representation

Bishop Fleming Audit Limited
10 Temple Back
Redcliffe
Bristol
BS1 6FL

[Date]

Dear Sirs and Mesdames

Cotswold District Council

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of Cotswold District Council (the Council) financial statements for the year ended 31 March 2025. These enquiries have included inspection of supporting documentation where appropriate, and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

1. General

We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) and applicable law and for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the Council have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit of the Council. We have provided you with unrestricted access to all appropriate persons within the Council, and with all other records and related information requested, including minutes of all Council and Committee meetings.

The financial statements are free of material misstatements, including omissions.

The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

2. Internal control and fraud

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

We have disclosed to you all instances of known or suspected fraud affecting the Council involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the Council's financial statements communicated by current or former employees, analysts, regulators or others.

3. Assets and liabilities

The Council has satisfactory title to all assets and there are no liens or encumbrances on the Council's assets, except for those that are disclosed in the notes to the financial statements.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include PPE and investment property valuations, and pension liability.

All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

4. Accounting estimates

The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

5. Legal claims

We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

6. Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

We confirm that all correspondence with our Regulators has been made available to you.

7. Related parties

Related party relationships and transactions comply with the Council's financial regulations, relevant requirements of the Code and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with regulatory, legislative and accounting standards requirements.

8. Subsequent events

All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

9. Going concern

We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that the financial reporting framework applicable to local government bodies means that the anticipated continued provision of entity's services in the public sector is normally sufficient evidence of going concern. We have not identified any material uncertainties related to going concern.

10. Annual Governance Statement

We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

11. Narrative Report

The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council's financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We have taken all the appropriate steps in order to make ourselves aware of any relevant audit/ other information and to establish that you are aware of that information.

Yours faithfully

.....

Signed on behalf of the Audit and Governance Committee of Cotswold District Council

[Date]

2. Required communications with the Audit and Governance Committee

Under the auditing standards, there are certain communications that we must provide to the Audit and Governance Committee as those charged with governance. These include:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Plan
With respect to misstatements: <ul style="list-style-type: none"> • uncorrected misstatements and their effect on our audit opinion; • the effect of uncorrected misstatements related to prior periods; • a request that any uncorrected misstatement is corrected; and • in writing, corrected misstatements that are significant. 	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> • enquiries of those charged with governance to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; • any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • a discussion of any other matters related to fraud. 	Audit Completion Report Discussions at audit and governance committees
Significant matters arising during the audit in connection with the entity's related parties.	Audit Completion Report
Significant findings from the audit including: <ul style="list-style-type: none"> • our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • significant difficulties, if any, encountered during the audit; • significant matters, if any, arising from the audit that were discussed with management; • written representations that we are seeking; • expected modifications to the audit report; and • other matters significant to the oversight of the financial reporting process or otherwise identified during the audit that we believe will be relevant to the Committee when fulfilling their responsibilities. 	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations	Audit Completion Report Discussions at audit and governance committees
Significant matters in relation to going concern.	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity.	Audit Completion Report
Confirmation of independence and objectivity of the firm and engagement team members.	Audit Plan Audit Completion Report



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