



REPORT OF:	HEAD OF FINANCE (CFO)
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TO:	EXECUTIVE
DATE:	19 JULY 2018
EXECUTIVE MEMBER:	COUNCILLOR T SCHOFIELD

KEY DECISION REQUIRED:	NO
WARD (S) AFFECTED:	ALL

SUBJECT:	REPORT FROM THE EXTERNAL AUDITORS (ISA 260 REPORT)
RECOMMENDATIONS: <ul style="list-style-type: none">(i) That the report from the external auditors (ISA 260) on the 2017/18 audit be noted. (Annex 1 to follow)(ii) That the Management Representation Letter be agreed and signed by the Leader. (Annex 2 to follow)	
REASONS FOR RECOMMENDATIONS: <p>The Executive is responsible for corporate governance. How we utilise and account for resources is intrinsic to good governance.</p>	
EXECUTIVE SUMMARY: <p>The report from the Council's external auditors (KPMG) summarises the conclusions and significant issues arising from the audit of the 2017/18 Annual Financial Report. This report is appended as Annex 1 (to follow pending completion of the audit by our external auditors). The information will be published with an addendum to the agenda.</p> <p>The agreement of the Management Representation Letter is part of the standard audit process. This letter is set out in Annex 2 (to follow pending completion of the audit by our external auditors). The information will be published with an addendum to the agenda.</p>	

Executive has authority to approve the above recommendations.
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STATUTORY POWERS

1. The Council is required to produce an annual Statement of Accounts by the *Local Government and Housing Act 1989* and the *Accounts and Audit Regulations 2015*.
2. The *International Standard on Auditing 260* ("ISA 260 - Communication of audit matters to those charged with governance") provides standards and guidance on the communication of audit matters between the auditor and those charged with governance.

3. Under the Council's Constitution this function has been delegated to the Executive.

ISSUES

4. The External Auditors are required to issue the Council with an ISA 260 report following the completion of the work they have done in auditing the Council's 2017/18 Statement of Accounts.
5. The report is attached as Annex 1 (to follow). In particular, Member's attention is drawn to the auditors key messages set out at the beginning of their report.
6. For 2017-18, under the Accounts and Audit Regulations 2015, the date by which principal local authorities must publish their accounts along with the auditor's opinion moves forward by two months to 31 July 2018.
7. Officers have worked closely with KPMG (our external auditors) to meet this date. Our external auditors are expected to provide the final report (ISA 260) pending completion of the audit. The information will be published with an addendum to the agenda.

LEGAL IMPLICATIONS

8. There are no legal implications.

FINANCIAL IMPLICATIONS

9. There are no direct financial implications.

EQUALITIES IMPLICATIONS

10. There are no equalities implications.

COMMUNICATIONS IMPLICATIONS

11. There are no communications implications.

CONSULTATION

12. The Executive Member for Finance was consulted during the preparation of this report.

POLICY FRAMEWORK

13. There are no policy issues to raise as part of this report.

Background Papers: [Executive 19 July 2018 Statement of Accounts 2017/18](#)