



<b>REPORT OF:</b>	HEAD OF FINANCE & ASSETS
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<b>TO:</b>	EXECUTIVE
<b>DATE:</b>	18 JULY 2019
<b>EXECUTIVE MEMBER:</b>	COUNCILLOR T. SCHOFIELD

<b>KEY DECISION REQUIRED:</b>	NO
<b>WARD (S) AFFECTED:</b>	ALL

<b>SUBJECT:</b>	<b>REPORT FROM THE EXTERNAL AUDITORS ON THE 2018/19 STATEMENT OF ACCOUNTS (ISA 260 REPORT)</b>
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#### **RECOMMENDATIONS:**

- (i) That the report from the external auditors (ISA 260) on the 2018/19 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:**

The Executive is responsible for corporate governance. How we utilise and account for resources is intrinsic to good governance.

#### **EXECUTIVE SUMMARY:**

The ISA 260 report from the Council's external auditors (Deloitte LLP) summarises the conclusions and significant issues arising from their audit of the 2018/19 Annual Financial Report.

This report is appended as Annex 1 [to follow pending completion of the audit by Deloitte LLP. The information will be published with an addendum to the agenda].

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 Deloitte LLP. The information will be published with an addendum to the agenda].

**Executive has authority to approve the above recommendations.**

## **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 Council's External Auditors (Deloitte LLP) are required to issue their report to those charged with governance (ISA260) which sets out the conclusion of their audit work and their opinion on the financial statements for the year ended 31 March 2019.
5. Officers have worked closely with Deloitte since they commenced work on site on 10 June to meet the 31 July deadline for completion of the audit.
6. The report is attached as Annex 1 [to follow pending completion of the audit by Deloitte LLP. The information will be published with an addendum to the agenda]. Members' attention is drawn to the key messages set out at the beginning of the report.

## **OPTIONS**

7. The Executive can accept, amend or reject Deloitte's ISA260 report.

## **LEGAL IMPLICATIONS**

10. There are no additional legal implications arising from this report.

## **FINANCIAL IMPLICATIONS**

10. There are no additional financial implications arising from this report.

## **EQUALITIES IMPLICATIONS**

11. There are no equalities implications arising from this report.

## **COMMUNICATION IMPLICATIONS**

12. There are no communications implications arising from this report. The auditor's report and the 2018/19 statement of accounts will be published on the Council's website.

## **RISK MANAGEMENT CONSIDERATIONS**

11. There are no risk management implications arising from this report.

## **CONSULTATION**

14. The Executive Member for Finance established and chaired a Member advisory panel during the preparation of the Annual Financial Report. The Panel considered the draft statement of accounts and had an opportunity to raise questions with the officers responsible for preparing them.

## **POLICY FRAMEWORK**

15. There are no policy implications arising from this report

**Background Papers:**

Executive 18 July 2019 *Statement of Accounts 2018/19*