



Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

SIGNED OFF BY	Interim Head of Finance
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TO	Audit Committee
DATE	Tuesday, 18 May 2021
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance

KEY DECISION REQUIRED	No
WARDS AFFECTED	ALL

SUBJECT	Report of the External Auditor on the 2019/2020 Statement of Accounts
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RECOMMENDATIONS <p>(i) That the report from the external auditor (ISA 260) on the 2019/20 audit be noted [Annex 1];</p> <p>(ii) That the Management Representation Letter be agreed and signed by the Chair of the Audit Committee and Chief Finance Officer [Annex 2].</p>
REASONS FOR RECOMMENDATIONS <p>Audit Committee has delegated responsibility for ensuring good corporate governance. Oversight of how the Council utilises and accounts for resources (as reported in the Statement of Accounts) is intrinsic to those responsibilities.</p>
EXECUTIVE SUMMARY <p>The ISA 260 report from the Council's external auditors (Deloitte LLP) summarises the conclusions and significant issues arising from their audit of the 2019/20 Annual Financial Report. The report is appended as Annex 1</p> <p>Agreement of the Management Representation Letter is part of the standard audit process. This letter is set out at Annex 2.</p> <p>Deloitte's audit lead will be in attendance at the meeting to present their report and respond to Members' questions.</p>

Audit Committee 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 Accounts and Audit (Coronavirus)(Amendments) Regulations 2020, came into force on 7 April 2020. This extended the statutory audit deadlines, taking into consideration the increasing impact of COVID-19.
3. 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.
4. Under the Council's Constitution this function has been delegated to the Audit Committee.

BACKGROUND

5. 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 2020.
6. Officers have worked closely with Deloitte since they commenced work remotely on 5 October 2020 to complete the audit.

KEY INFORMATION

7. Deloitte's report is attached as Annex 1. Members' attention is drawn to the key messages set out at the beginning.
8. Also attached is the Management Representation Letter at Annex 2. This sets out assurances from the Council to Deloitte that relevant accounting standards have been complied with and gives assurances that the Council has disclosed information where to withhold it would have undermined the accuracy and reliability of the Statement of Accounts

OPTIONS

9. The Audit Committee can accept or reject Deloitte's ISA260 report.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

11. The latest fee estimates for carrying out the audit are set out in Deloitte's report. They are subject to confirmation by Public Sector Audit Appointments Limited.

EQUALITIES IMPLICATIONS

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

COMMUNICATION IMPLICATIONS

13. The auditor's report and the 2019/2020 Statement of Accounts will be published on the Council's website.
14. The Draft Unaudited 2019/2020 Statement of Accounts were published on the Council's website on 5 October 2020. These were accompanied by the required Public Inspection Notice.

RISK MANAGEMENT CONSIDERATIONS

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

OTHER IMPLICATIONS

16. There are no other implications arising from this report.

CONSULTATION

17. There are no consultation implications arising from this report. The Public Inspection Notice outlined the public inspection rights and process, including the rights of a local government elector of the area of the Council to ask questions of the Auditor or object to the accounts until they are signed by both the Auditor and the Council. No questions or objections were received by the Auditor with regard to the 2019/20 statement of accounts.

POLICY FRAMEWORK

18. There are no policy implications arising from this report.

BACKGROUND PAPERS

Audit Committee 26 November 2020 *Statement of Accounts 2019/2020*

Audit Committee 18 May 2021, *Statement of Accounts 2019/2020*