

**Approval of the 2015/16 Financial Statements
and to receive the External Auditor's Report
(ISA260) for 2015/16**

Portfolio	Finance
Ward(s) Affected:	All

Purpose

To approve the audited Financial Statements for 2015/16 and to receive the External Auditors Report (ISO260) for 2015/16.

Background

1. Statutory regulations require that unaudited financial statements are published by the 30th June and the audited financial statements by the 30th September each year. Only the audited financial statements need to be formally approved by members.
2. The unaudited financial statements were published on the Council's website on the 28th June 2016 and it is the audited financial statements that are now being presented to this committee for approval.

Financial Statements

3. The Financial Statements set out the Council's financial performance for the year ended 31st March 2016 and are attached to this agenda as a separate document.

ISA260 Audit Report

4. The Audit Commissions Code of Audit Practice requires the auditor to summarise the work they have carried out to discharge their statutory audit responsibilities together with any Governance issues identified. They are charged with reporting these to those charged with governance (The Audit and Standards Committee) at the time the final financial statements are considered. This report must also comply with the requirements of the International Auditing Standard 260 with regard to 'Communication of audit matters to those charged with governance'.
 5. The auditors will be presenting their report at the meeting and it can be expected to cover the following areas:
 - Proposed opinion on the financial statements, annual governance statement and audit differences
 - Critical accounting matters
 - Value for Money approach
 - Key issues and recommendations arising from the audit
 6. Members will have an opportunity to question the auditors about their report at the meeting.
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Key Issues

7. The Auditors propose to issue an “unqualified” opinion on both the financial statements and their value for money judgement.
8. The Auditors have recognised a significant improvement both in the timeliness of the financial statements and the quality compared to last year. This has been achieved due to the hard work of the finance team.
9. The Auditors have looked new significant audit risks, such as borrowing, and have been satisfied with the results.
10. There is only one recommended adjustment to the accounts which has an impact on the General fund and a small number of presentational amendments arising out of the audit. These are reflected in the set of financial statements presented for approval at this meeting.
11. The finance team would like to acknowledge the support and advice given by the external audit team during their visit this year.

Options

12. The committee can accept or reject the auditor’s report and/or accounts. However these actions may have implications in respect of the auditor signing off the Council’s financial statements

Resources Implications

13. There only resource implication arises due to audit fees. These are £41,900 which is the scale fee approved by the PSAA (Public Sector Audit Authority).

Recommendation

14. The Committee is advised to RECEIVE the audited financial statements for 2015/16 and RESOLVE that the Chairman of the Committee APPROVES the Financial Statements on behalf of the Council

Background Papers: None

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