



# AUDIT COMMITTEE

24 September 2015

# REPORT

**Subject Heading:**

**Report To Those Charged With  
Governance  
International Standard of Auditing  
(ISA) 260**

**Report Author and contact details:**

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Strategy Manager  
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Mike.Board@oneSource.co.uk  
Audit Committee responsible for  
approving accounts.

**Policy context:**

**Financial summary:**

N/A

**The subject matter of this report deals with the following Council Objectives**

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input type="checkbox"/>
Value and enhance the life of every individual	<input type="checkbox"/>
High customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

**SUMMARY**

The draft ISA 260 report from the external auditor PWC is shown as Appendix A. It summarises their findings from the 2014/15 audit to date. It sets out key findings that will be considered by the auditors when considering their opinion, conclusion and certificate. Officers' responses are shown in the section "Summary of significant internal control deficiencies", beginning at page 20 of the ISA 260 report.

The draft of the Letter of Representation is included as appendix B.

At this stage the auditors expect to issue an unqualified opinion on the financial statements by the 30th September 2015.

**RECOMMENDATIONS**

To note the contents of the Report to Those Charged with Governance (ISA260) and the draft Letter of Representation and consider any issues raised by the external auditor.

**REPORT DETAIL**

Regulation 11 of the Accounts and Audit regulations requires the publication of the Statement of Accounts after the conclusion of the audit, but in any event no later than the 30<sup>th</sup> September 2015.

The draft report from the external auditor, Appendix A, summarises their findings from the 2014/15 audit to date. It sets out key findings that will be considered by the auditors when considering their opinion, conclusion and certificate.

The Committee is also asked to consider the draft Management letter, Appendix B, setting out the assurances required of the Group Director of Finance and Commerce by the auditors.

At this stage the auditors expect to issue an unqualified opinion on the financial statements by the 30th September 2015.

**IMPLICATIONS AND RISKS**

**Financial Implications and Risks:**

There are no financial implications or risks arising directly from this report. Any financial consequences arising from the outcome of the audit of accounts and recommendations set out by the external auditor will be addressed as part of the Council's response.

**Legal Implications and risks:**

On the basis that there are no specific issues raised by the external auditor, there are no legal implications arising directly from this report.

**Human Resources Implications and risks:**

None arising directly

**Equalities and Social Inclusion Implications and risks:**

None arising directly

**BACKGROUND PAPERS**

## Appendix A

**Report to the Audit Committee of the authority on the audit of the statement of accounts and pension fund accounts for the year ended 31 March 2015 (ISA (UK&I) 260)**

## Appendix B

**Representation letter – audit of the London Borough of Havering’s (“the Authority”) Statement of Accounts for the year ended 31 March 2015**