

**SUPPLEMENTARY REPORT FOR
CABINET
Thursday, 15 September 2016 at 7.30 pm
Council Chamber, Civic Centre**

The attached documents are due to be considered at the meeting listed above and were unavailable for circulation when the agenda for the meeting was published. The agenda items to which the documents relate is noted below.

18. Communications from Committees/Working Groups/Parties and Panels
 - a) Referral from Audit & Standards Committee - 2015/16 Statement of Accounts (Pages 2 - 5)
 - b) Referral from Audit & Standards Committee - Management Letter of Representation 2015/16 (Pages 6 - 9)

REPORT TO: CABINET

DATE: 15 SEPTEMBER 2016

TITLE: REFERRAL FROM AUDIT AND STANDARDS
COMMITTEE – STATEMENT OF ACCOUNTS
2015/16

PORTFOLIO HOLDER: COUNCILLOR MIKE DANVERS

LEAD OFFICERS: BRIAN KEANE, HEAD OF GOVERNANCE (01279)
446037

SIMON FREEMAN, HEAD OF FINANCE (01279)
446228

**This is not a Key Decision
Call-in Procedures may apply
This decision will affect no ward specifically.**

RECOMMENDED that the 2015/16 Statement of Accounts is approved.

REASON FOR DECISION

- A** The Audit and Standards Committee considered a report on the Statement of Accounts 2015/16 at its meeting in September 2015 and has recommended that the Cabinet approve it.
- B** Approval of the Statement of Accounts 2015/16 is necessary to comply with accounting regulations.

BACKGROUND

1. At its meeting on 7 September 2016, the Audit and Standards Committee received a report that presented the draft Statement of Accounts 2015/16. The original report that was considered by the Committee is attached as Appendix A to this report.
2. The Audit and Standards Committee has made a recommendation to the Cabinet as indicated at the start of this report.

IMPLICATIONS

Implications of the recommended decision are outlined in the 'Implications' section of the original report, which is attached as Appendix A.

APPENDICES

Appendix A – Original report to the Audit and Standards Committee, ‘Audited Annual Accounts 2015/16’ covering report.

BACKGROUND PAPERS

The Statement of Accounts 2015/16 and all other original reports to the Audit and Standards Committee, 7 September 2016, can be viewed from the Mod.Gov app or from the Council’s website on the following link:

<http://moderngov.harlow.gov.uk/ieListDocuments.aspx?CIId=120&MIId=784&Ver=4>

REPORT TO **AUDIT AND STANDARDS COMMITTEE**
DATE: **7 SEPTEMBER 2016**
TITLE: **AUDITED ANNUAL ACCOUNTS 2015/16**
LEAD OFFICERS: **SIMON FREEMAN – HEAD OF FINANCE**
 (01279 446228)

RECOMMENDED that

- 1) **The Committee notes the 2015/16 Statement of Accounts presented as Appendix 1 to this report and refers any comments to the Cabinet;**
- 2) **The Committee notes that the audit of the accounts is to continue after the time of writing this report, and that the external auditor shall present an update to the meeting of this Committee.**

BACKGROUND

1. The Statement of Accounts are an important part of the Council's overall financial control and reporting environment which must be presented to an appropriate committee of the Council and approved to comply with the requirements of the accounting regulations.
2. Draft statements were produced by the required statutory deadline of 30 June 2016 and these have been available on the Council's website since that date.
3. The appointed external auditor, Ernst and Young LLP, has been carrying out the annual audit since July and the draft accounts have been available for public inspection.
4. The audit process has extended beyond the time of preparing this report with some residual issues to be examined. The external auditor will, as a result, provide Members of this Committee with an update of their progress in their concluding audit work.

IMPLICATIONS

Place (includes Sustainability)

None specific.

Author: **Graeme Bloomer, Head of Place**

Finance (includes ICT)

The production and reporting of the Annual Statement of Accounts is a statutory responsibility and, pending completion of the audit, the latest statements for 2015/16 are appended to this report.

Author: **Simon Freeman, Head of Finance**

Housing

None specific.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

None specific.

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

None specific.

Author: **Brian Keane, Head of Governance**

BACKGROUND PAPERS

All Final Accounts Working Papers held by Accountancy which have been open to public inspection as required under the Accounts and Audit Regulations 2015.

REPORT TO: CABINET

DATE: 15 SEPTEMBER 2016

TITLE: REFERRAL FROM AUDIT AND STANDARDS COMMITTEE - MANAGEMENT LETTER OF REPRESENTATION 2015/16

PORTFOLIO HOLDER: COUNCILLOR MIKE DANVERS

LEAD OFFICERS: BRIAN KEANE, HEAD OF GOVERNANCE (01279) 446037

SIMON FREEMAN, HEAD OF FINANCE (01279) 446228

**This is not a Key Decision
Call-in Procedures may apply
This decision will affect no ward specifically.**

RECOMMENDED that Cabinet acknowledge the Management Letter of Representation 2015/16.

REASON FOR DECISION

- A** International Standards on Auditing (ISA) guidance requires that the Council provides a “Letter of Representation” from the person with specific responsibility for the financial statements (the Council’s s151 Officer). The purpose of the Letter is to obtain written representation on matters where the auditor is relying on the judgement of management rather than corroborative evidence.
- B** The Audit and Standards Committee considered a report on the Management Letter of Representation 2015/16 at its meeting in September 2016. The Committee agreed the Letter, and asked that the Cabinet acknowledge it.

BACKGROUND

1. At its meeting on 7 September 2016, the Audit and Standards Committee received a report that presented the Management Letter of Representation 2015/16. The original report that was considered by the Committee is attached as Appendix A to this report.
2. The Audit and Standards Committee has made a recommendation to the

Cabinet as indicated at the start of this report.

IMPLICATIONS

Implications of the recommended decision are outlined in the 'Implications' section of the original report, which is attached as Appendix A.

APPENDICES

Appendix A – Original report to the Audit and Standards Committee, 'Management Letter of Representation 2015/16' covering report. Incorporating:
Appendix 1 - Management Letter of Representation 2015/16 as amended at Audit and Standards Committee.

BACKGROUND PAPERS

All original reports to the Audit and Standards Committee can be viewed from

<http://moderngov.harlow.gov.uk/ieListDocuments.aspx?CId=120&MId=625&Ver=4>

REPORT TO **AUDIT AND STANDARDS COMMITTEE**

DATE: **7 SEPTEMBER 2016**

TITLE: **MANAGEMENT LETTER OF REPRESENTATIONS
2015/16**

LEAD OFFICERS: **SIMON FREEMAN – HEAD OF FINANCE
(01279 446228)**

RECOMMENDED that the Committee notes the draft Letter of Representation attached at Appendix 1, which is to be formally acknowledged by Cabinet at its meeting on 15 September 2016.

BACKGROUND

1. International Standards on Auditing (ISA) guidance requires that the Council provides a “Letter of Representations” from the person with specific responsibility for the financial statements (the Council’s s151 Officer). The purpose of the letter is to obtain written representation on matters where the Auditor is relying on the judgement of management rather than on corroborative evidence.
2. The draft Letter of Representations pertaining to the 2015/16 financial statements is attached at Appendix 1. The final letter will be issued upon the Cabinet’s approval of the final Statement of Accounts at its meeting of 15 September, and formally signed by the Head of Finance and the Chair of Audit and Standards Committee.

IMPLICATIONS

Place (includes Sustainability)

None specific.

Author: **Graeme Bloomer, Head of Place**

Finance (includes ICT)

The Letter of Representations provides assurance to the Council’s appointed auditors on matters that are not capable of independent scrutiny or that are subjective. It forms an essential part of the overall governance arrangements for the Council’s financial conduct.

Author: **Simon Freeman, Head of Finance**

Housing

None specific.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

None specific.

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

None specific.

Author: **Brian Keane, Head of Governance**

BACKGROUND PAPERS

None.