

**REPORT TO:** **AUDIT AND STANDARDS COMMITTEE**

**DATE:** **11 SEPTEMBER 2019**

**TITLE:** **AUDITED ANNUAL ACCOUNTS 2018/19**

**LEAD OFFICER:** **SIMON FREEMAN, HEAD OF FINANCE AND  
DEPUTY TO THE CHIEF EXECUTIVE  
(01279) 446228**

**RECOMMENDED that:**

- A** Upon consideration of the Auditor's Progress Report earlier in the agenda the Committee notes the 2018/19 Statement of Accounts (attached as Appendix A to the report) and delegates final approval of the Statement to the Head of Finance and Deputy to the Chief Executive, in consultation with the Chair of the Audit and Standards Committee.
- B** The Committee reviews and approves the Council's Annual Governance Statement (attached as Appendix A to the report) for 2018/19.
- C** The approval of the Management Letter of Representation be delegated to the Head of Finance and Deputy to the Chief Executive, in consultation with the Chair of the Audit and Standards Committee.

**BACKGROUND**

1. The Statement of Accounts is an important part of the Council's overall financial control and reporting environment and 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 published within the shorter timescale on 31 May 2018 and these have been available on the Council's website since that date.
3. The appointed external auditor, BDO LLP, has been carrying out the annual audit since June and the draft accounts have been available for public inspection.
4. By the time this Committee meets, the audit should be nearing conclusion. The external auditor will give a progress report at the meeting, but further amendments to the Statement of Accounts will undoubtedly be required after the meeting. As such, the Committee is recommended to delegate approval of the final Statement to the Head of Finance and Deputy to the Chief Executive, in consultation with the Chair of the Committee.
5. The Council's Annual Governance Statement (AGS) is at page 124 of the Statement of Accounts. Under regulations, the AGS must be reviewed and

approved annually, to ensure that the Council's systems of internal control and governance are effective. The Internal Audit annual report (as approved by the Committee in June 2019) and review of the effectiveness of internal audit form a key element of the review, as does the Council's work on risk and performance management.

6. The AGS covers all significant corporate systems, processes and controls, spanning the whole range of the Council's services, including those designed to ensure that:
  - a) The Council's policies are implemented in practice;
  - b) High quality services are delivered efficiently and effectively;
  - c) The Council's values and ethical standards are met;
  - d) Laws and regulations are complied with;
  - e) Required processes are adhered to;
  - f) Financial statements and other published performance information is accurate and reliable; and
  - g) Human, financial, environmental and other resources are managed efficiently and effectively.
7. The AGS is required to disclose areas for improvement or monitoring which may impact on the Council being able to achieve its corporate objectives. These are at paragraph 6.2 of the statement.
8. The review of the Council's systems of internal control and governance has confirmed that, although there are some areas where arrangements could be strengthened, the Council's overall control environment remains satisfactory.
9. International Standards on Auditing guidance requires that the Council provides a 'Letter of Representations' from the person with specific responsibility for the financial statements (the Council's Section 151 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. Given that the audit is not yet complete in respect of the 2018/19 financial year the letter cannot be issued until after final approval of the statements for which specific delegation is being sought within the recommendations to this report. It is therefore also necessary to seek the same delegation in respect of the Letter of Representation as the approval can only follow the approval of the Statements.

## **IMPLICATIONS**

### **Environment and Planning**

None specific.

**Author: Andrew Bramidge, Head of Environment and Planning**

### **Finance (Includes ICT, and Property and Facilities)**

The production and reporting of the Annual Statement of Accounts is a statutory responsibility and, pending completion of the audit, the latest Statement for 2018/19 is appended to this report.

**Author: Simon Freeman, Head of Finance and Deputy to the Chief Executive**

### **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: Simon Hill, Head of Governance**

## **Appendices**

Appendix A – Audited Statement of Accounts 2018/19

## **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.

## **Glossary of terms/abbreviations used**

AGS – Annual Governance Statement