



REPORT TO: Audit and Corporate Governance Committee
LEAD OFFICER: Executive Director (Corporate Services)

26 January 2018

APPROVAL OF THE 2016/17 STATEMENT OF ACCOUNTS

Purpose

1. To report the approval of the amended 2016/17 Statement of Accounts and the letter of representation.
2. This is not a key decision but is a legal and auditing requirement.

Recommendations

3. To note the approval of the 2016/17 Statement of Accounts by the Chairman of the Audit and Corporate Governance Committee in consultation with the Executive Director, as delegated by the Committee meeting on 29 September 2017.

Reasons for Recommendations

4. It is an auditing requirement under the International Auditing Standard (UK and Ireland) 580 for the letter of representation to be discussed and agreed by those charged with governance.

Background

5. The Statement of Accounts 2016/17 (subject to audit) was certified by the Executive Director (Corporate Services) as the Council's responsible financial officer on 13 July, following an informal briefing on the Committee.
6. At its meeting on 29 September 2017 the Committee agreed to delegate approval of the Statement of Accounts to the Chairman in consultation with the Executive Director (Corporate Services), as work was ongoing to finalise adjustments to the accounts and for Ernst & Young, the Council's external auditors, to complete their review of the accounts.
7. At the September 2017 Committee the Council's auditors EY reported that they had concerns over the valuation of the Council's Housing stock. Since then, EY and the Council's valuers WHE, have reviewed the valuation in some detail but have reached the conclusion that the valuation was materially correct. The report from EY elsewhere on the agenda sets out the context for this review in more detail. The conclusion of this matter has enabled the Chairman of the Committee and the Executive Director to complete the approval of the accounts in accordance with the delegation from the Committee last September. The approved accounts, letter of representation and the annual governance statement are therefore appended to this report as a matter for note and record.

Considerations

8. In accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy Code of Practice; the Council has prepared group accounts to show the overall financial position and results of the District Council including South Cambs Limited, its wholly owned subsidiary. For the purposes of these accounts transactions between the parent entity and subsidiary are excluded and the remaining transactions of both organisations consolidated in group statements.
9. International Auditing Standard (UK and Ireland) 580 requires the auditor to have received a letter of representation drawn up by the Council that provides written confirmation on matters that might be relevant or significant to the statement of accounts. This letter is signed as near as possible to the date of the auditor issuing his opinion. The auditing standard requires that the letter is 'discussed and agreed by those charged with governance and signed on their behalf..... to ensure that all those charged with governance are aware of the representations on which the auditor intends to rely in expressing the auditor's opinion on those financial statements'. Ernst and Young therefore requires the letter of representation to be signed by the Executive Director (Corporate Services) by the Chair of Audit and Corporate Governance Committee. This letter was signed on 23 January 2018 and is included in this supplement to the agenda.

Effect on Strategic Aims

10. The amended Statement of Accounts confirms the balances available for inclusion in the medium term financial strategy.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

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