

EAST HERTS COUNCIL

PERFORMANCE, AUDIT AND GOVERNANCE COMMITTEE – 24 JULY
2018

STATEMENT OF ACCOUNTS 2017/18

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND SUPPORT
SERVICES

WARD (S) AFFECTED: All

Purpose/Summary of Report:

- The report sets out the background to the 2017/18 Statement of Accounts for Members to consider and approve.
- The accounts provide details of the overall financial position in the Balance Sheet, details of the revenue activities for the General Fund and the Collection Fund.

RECOMMENDATIONS FOR PERFORMANCE, AUDIT AND GOVERNANCE COMMITTEE:

(A)	The Council's Statement of Accounts for the financial year 2017/18 be approved and authorise the signing thereof by the Chairman of the Performance, Audit and Governance Committee at the conclusion of the meeting;
(B)	The letter of representation be approved for signing by the Chairman of the Performance, Audit and Governance Committee and the Head of Strategic Finance and Property.

1 BACKGROUND

- 1.1 The arrangements for keeping and publishing the Council's accounts are set out in the Accounts and Audit Regulations 2015. Under these regulations the Head of Strategic Finance and Property is responsible for determining the Council's accounting system, form of accounts and supporting accounting records.
- 1.2 Under the Local Government and Housing Act 1989 the preparation of the accounts must follow proper practices, which includes preparing accounts in accordance with the Code of Practice on Local Authority Accounting in Great Britain.
- 1.3 In accordance with the new requirements of the regulations the Head of Strategic Finance and Property approved the draft Statement of Accounts by 31 May 2018.
- 1.4 The regulations require that:
 - The Audit and Governance Committee considers and approves the audited statement of accounts by 31 July 2018 and the accounts are signed by the committee chair.
 - The Council publishes the accounts by 31 July 2018.
 - Audited bodies conduct a review at least once a year of the effectiveness of its system of internal control and publish an annual governance statement each year with the authority's financial statements.
- 1.5 In line with the Council's constitution this committee, as the relevant body, now has the benefit of receiving the External Auditor's report on the accounts prior to Member approval.
- 1.6 The Council's Annual Governance Statement is submitted for consideration and approval as part of this agenda. This has been included in the Council's published accounts as a review of the effectiveness of its system of internal control.
- 1.7 Ernst Youngs' report to those charged with governance (ISA 260) will be presented to this Committee as a separate item on the agenda.

2 REPORT

- 2.1 The Statement of Accounts can be found on the Councils website: <https://www.eastherts.gov.uk/article/35599/Statement-of-Accounts--Annual-Audit>
- 2.2 As part of the governance arrangements for the audit of the Council's accounts a "letter of representation" is provided to the External Auditor confirming that appropriate arrangements are in place. The Audit and Governance Committee is required to approve the letter which will then be signed by the Chairman and Head of Strategic Finance and Property. A copy of the letter of representation from the Council to the External Auditor is included at **Essential Reference Paper B**.
- 2.3 The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting 2017/18 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 2.4 The presentation of the Statement of Accounts is determined by the CIPFA Code of Practice which is based on International Financial Reporting Standards (IFRS).

3 IMPLICATIONS/CONSULTATIONS

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper A**.

Background Papers:

<https://www.eastherts.gov.uk/article/35599/Statement-of-Accounts--Annual-Audit>

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