

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Christine Marshall – Executive Director Growth and Commercialisation

To: Governance and Audit Committee 12 September 2017

Author: Ellie Stacey – Financial Control Manager

Subject: Approval of Financial Statements 2016/17

Purpose: To seek approval for the Annual Governance Statement for inclusion with the Council’s published Financial Statements, and approval of the Audited Financial Statements 2016/17 for publication.

Recommendation(s):

That the Governance and Audit Committee

- 1) Approve the Financial Statements 2016/17
- 2) Approve the Annual Governance Statement 2016/17
- 3) Approve the Letter of Representation to KPMG

1.0 BACKGROUND

1.1 2016/17 Financial Statements

- 1.1.1 The audit of the 2016/17 Financial Statements is now substantially complete, and the Statements are attached as Appendix A. At the time of writing this report we are aware of some areas of outstanding work that KPMG are undertaking. These are not expected to identify any issues.
- 1.1.2 The draft Annual Governance Statement and the unaudited Financial Statements 2016/17 were presented to the Committee on 22 June 2017. Since that time, KPMG have been working to establish the correctness of the accounts, checking them against the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Council’s own accounting policies.
- 1.1.3 This section of the report updates the Committee on the progress of the audit, and asks members to formally approve the Financial Statements for publication, having considered the issues raised by the auditor in their report to those charged with governance (ISA 260 report at item 5 on this agenda).
- 1.1.4 A small number of presentational adjustments were required to ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, including the movement of the exceptional item from income to expenditure in the Comprehensive Income and Expenditure Statement. No other amendments were required to be made to the primary Financial Statements.

1.2 Annual Governance Statement

- 1.2.1 At the same meeting the Committee considered and commented on the draft Annual Governance Statement. No amendments have been made to the draft Statement.

1.2.2 The Annual Governance Statement is required to be signed by the Leader of the Council and Chief Executive. This Committee is requested to approve the final statement to allow it to be published with the Financial Statements.

2.0 **OPTIONS**

2.1 To approve the audited Financial Statements and the Annual Governance Statement

2.2 Not to approve the statements

2.3 There is a statutory requirement for the Financial Statements to be approved and published by 30 September.

3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 To meet corporate governance best practice and statutory reporting requirements.

3.2 In line with statutory requirements to approve financial statements prior to publication by 30 September.

4.0 **EXPECTED BENEFITS**

4.1 Strengthened governance arrangements.

5.0 **IMPLICATIONS**

5.1 **Constitution & Legal**

5.1.1 Accounts and Audit Regulations 2015

5.1.2 The Council's Financial Statements are required to be audited, approved and published by 30 September each year.

5.2.1 **Financial**

5.2.2 There are no financial implications as a result of this report. The audit of the Financial Statements provide external validation that the stewardship of public funds has been undertaken effectively, and that the statutory reporting requirements laid out in the accounting code of practice have been followed.

5.2.3 The Financial Statements presented in Appendix A is currently being subject to a final verification by the external auditors. Minor presentational issues may arise in this process and an approved final version will be submitted to the chair of the committee for signature.

5.3 **Risk Management**

5.3.1 The Council's risk management arrangements are reflected in the Annual Governance Statement.

5.3.2 The audit process has identified some areas where improvements are necessary, and these will be implemented for the production of the Financial Statements 2017/18.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 All

7.0 ACRONYMS

7.1 ISA – International Standards on Auditing

Background papers:

Lead Contact Officer

Name and Post: Christine Marshall; Executive Director Growth and Commercialisation; Section 151 Officer
Telephone Number: Telephone Number: 01775 761161
Email: Email: christine.marshall@breckland-sholland.gov.uk
or alternatively natalie.thatcher@breckland-sholland.gov.uk

Director / Officer who will be attending the Meeting

Name and Post: Jane Crosby – Interim Head of Finance

Key Decision: No

Exempt Decision: No

Appendices attached to this report:

Appendix A 2016/17 Financial Statements

Appendix B Letter of Representation