

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Shared Finance Manager

**To:** Governance and Audit Committee – 25 September 2014

**Author:** (Mark Finch, Shared Finance Manager)

**Subject:** Approval of Financial Statements 2013-14

**Purpose:** To seek approval for the annual governance statement for inclusion with the Council's published financial statements and approval of the audited 2013-14 financial statements for publication.

### **Recommendation(s):**

#### **That the Governance and Audit Committee:**

- 1) Approves the 2013-14 Financial Statements
- 2) Approves the 2013-14 Annual Governance Statement
- 3) Approves the Letter of Representation

## **1.0 BACKGROUND**

### **1.1 2013/14 FINANCIAL STATEMENTS**

- 1.1.1 The draft 2013-14 financial statements were presented to the Committee on 26 June 2014, prior to audit. 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 2013-14 and the Council's own accounting policies.
- 1.1.2 This section of the report updates the Committee on the progress of the audit, and asks members to formally approve the statements for publication, having considered the issues raised by the auditor in their report to those charged with governance (ISA 260 report at item 4 on this agenda).
- 1.1.3 A small number of presentational adjustments were required to ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14. No amendments were required to be made to the primary statements.
- 1.1.4 The ISA 260 report includes one recommendation relating to the componentisation of property, plant and equipment.
- 1.1.5 A management response has been provided and this issue will be addressed as part of the 2014/15 accounts process.

## **1.2 Annual Governance Statement**

- 1.2.1 At the same meeting the Committee considered and commented on the draft Annual Governance Statement. Appendix B reflects minor changes to the draft version, these arising from improvements to Governance arrangements outlined in the Internal Annual Audit Report and deletion of the section regarding legal proceedings relating to a planning complaint.
- 1.2.2 The Annual Governance Statement is required to be signed by the Leader of the Council and the Chief Executive. This committee is requested to approve the 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 annually.

## **3.0 REASONS FOR RECOMMENDATION(S)**

- 3.1 To meet corporate governance best practice and statutory reporting requirements.
- 3.2 In line with the statutory requirement to approve financial statements prior to publication by 30 September.

## **4.0 EXPECTED BENEFITS**

- 4.1 Strengthened governance arrangements

## **5.0 IMPLICATIONS**

### **5.1 Carbon Footprint / Environmental Issues**

- 5.1.1 It is the opinion of the Report Author that there are no implications.

### **5.2 Constitution & Legal**

- 5.2.1 Accounts and Audit Regulations 2011 (as amended)
- 5.2.2 The Council's financial statements are required to be audited, approved and published by 30 September each year.

### **5.3 Contracts**

- 5.3.1 It is the opinion of the Report Author that there are no implications.

#### 5.4 **Corporate Priorities**

5.4.1 It is the opinion of the Report Author that there are no implications.

#### 5.5 **Crime and Disorder**

5.5.1 It is the opinion of the Report Author that there are no implications.

#### 5.6 **Equality and Diversity / Human Rights**

5.6.1 It is the opinion of the Report Author that there are no implications.

#### 5.7 **Financial**

5.7.1 There are no financial implications as a result of this report. The audit of the financial statements provides 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.

#### 5.8 **Health & Wellbeing**

5.8.1 It is the opinion of the Report Author that there are no implications.

#### 5.9 **Risk Management**

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

5.9.2 The audit process has identified some areas where improvements are necessary, and these will be implemented for the production of the 2014/15 statements.

#### 5.10 **Staffing**

5.10.1 It is the opinion of the Report Author that there are no implications.

#### 5.11 **Stakeholders / Consultation / Timescales**

5.11.1 It is the opinion of the Report Author that there are no implications.

#### 6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 All

#### 7.0 **ACRONYMS**

7.1 ISA – International Standards on Auditing

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Background papers: - None

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**Lead Contact Officer**

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**Director / Officer who will be attending the Meeting**

Name and Post: Mark Finch, Shared Finance Manager

**Key Decision:** No

**Exempt Decision:** No

**This report refers to a Mandatory Service – Corporate Finance**

**Appendices attached to this report:**

Appendix A 2013-14 Financial Statements

Appendix B Annual Governance Statement

Appendix C Letter of Representation