

ARUN DISTRICT COUNCIL

REPORT TO AUDIT AND GOVERNANCE COMMITTEE ON 30 July 2019

PART A: REPORT

SUBJECT: Annual Statement of Accounts 2018/19 and Letter of Representation

REPORT AUTHOR: Carolin Martlew, Financial Services Manager

DATE: July 2019

EXTN: 37568

PORTFOLIO AREA: Corporate Resources

EXECUTIVE SUMMARY:

This report provides information about the audit of the Council's 2018/19 Statement of Accounts (accounts) and recommends the approval of the 2018/19 accounts and the Letter of Representation on behalf of the Council.

RECOMMENDATIONS:

RECOMMENDATIONS

The Committee is requested to:

- i. Note the findings of the EY Audit Results Report (previous item on the agenda);
- ii. Approve the Letter of Representation on behalf of the Council (copy appedix1); and
- iii. Approve the Statement of Accounts for the financial year ended 31 March 2019 which will be signed by the Chairman of the Committee (Appendix 2).

1. BACKGROUND:

1.1 Due to the late scheduling of the audit (starting 3rd July 2019) the Audit will not be completed until the meeting of the Committee on 30th July 2019. The Draft Statement of Accounts 2018/19 (issued by the Group Head of Corporate Support on 31st May 2018) has been updated for a further Pension Report provided by the Actuaries, Hyman Roberts (as mentioned in the preceding Audit results report). The Council's estimated pension fund deficit was altered from £27.581m to £27.456m (Appendix 2: Note 24, page 73). The Accounts were also updated for the presentation errors as outlined in the EY Audit results report. The latest statement of Accounts has been included as appendix 2.

1.2 The committee will be updated verbally at the meeting with any significant changes to the Accounts.

- 1.3 The public inspection period commenced on 3rd June and finished on 15th July 2019. At this time we are not aware of any objections raised with EY.
- 1.4 This report was preceded by the Audit Results Report issued by EY.
- 1.5 The audited accounts, together with the auditor's opinion, are required to be published by 31st July 2019.
- 1.6 The Letter of Representation is included as appendix 1.

2. PROPOSAL(S):

Overview of the Financial Statements

- 2.1 The Statement of Accounts summarises the Council's financial transactions for 2018/19 year and its financial position at 31 March 2019. It is comprised of the: Narrative Report; Statement of Responsibilities; Core Financial Statements; Notes to the Accounts (including Accounting Policies); Supplementary Statements; and Auditor's opinion.
- 2.2 The meeting will focus on the core financial statements and the Supplementary financial Statements. The core financial statements are comprised of the:
- Comprehensive Income and Expenditure Statement
 - Movement in Reserves Statement
 - Balance Sheet
 - Cash Flow Statement
- 2.3 The Supplementary Financial Statements are comprised of the:
- Housing Revenue Account and notes; and
 - Collection Fund Statement and notes.

Audit of the Statement of Accounts 2018/19

- 2.4 The Committee will be updated at the meeting in relation to the key issues identified by the audit.
- 2.5 Members are requested to note the content of the Audit Results Report (previous item on the agenda).
- 2.6 Members are requested to approve the Letter of Representation (attached as appendix 1).

3. OPTIONS:

n/a

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓

Relevant District Ward Councillors		✓
Other groups/persons (please specify)		
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	✓	
Legal	✓	
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		

6. IMPLICATIONS:

The Letter of Representation and the Statement of Accounts 2018/19 are required to be approved by the Audit and Governance Committee in time for the statutory deadline of 31st July 2019.

7. REASON FOR THE DECISION:

To approve the Statement of Accounts by the statutory deadline of 31 July 2019.

8. BACKGROUND PAPERS:

None