

NON-EXEMPT

HAVANT BOROUGH COUNCIL

Governance & Audit Committee

21 September 2016

**STATEMENT OF ACCOUNTS 2015/16 AND LETTER OF
REPRESENTATION - HAVANT BOROUGH COUNCIL**
Central Finance Team Leader

FOR DECISION

Cabinet Lead: Cllr Mike Cheshire

Key Decision: No

1.0 Purpose of Report

- 1.1 To present the audited Statement of Accounts 2015/16 for signing and approval.
- 1.2 To present the Council's Letter of Representation for signing and approval

2.0 Recommendation

- 2.1 That the Committee agree the Statement of Accounts for 2015/16, that the Chairman certifies the approval by signing page 20 of the accounts and S151 Officer certify the approval of the Accounts by signing page 20 and page 27 of the Accounts.
- 2.2 That the Committee agree the draft Letter of Representation, and the Chairman of the Committee and S151 Officer signs the letter

3.0 Summary

- 3.1 The Council is required to approve the audited 2015/16 Statement of Accounts for publication on or before 30th September each year.
- 3.2 The Council is required to formally respond to the External Audit report. This is carried out in the Letter of Representation.

4.0 Reports

Statement of Accounts 2015/16

- 4.1 The Accounts and Audit Regulations 2015 require the Chief Financial Officer to first sign the accounts no later than 30th June and certify that they present a true and fair view the financial position of the Council at the end of the year to which it relates and its income and expenditure for that year. The Chief Financial Officer is required to re-certify the presentation of the statement of accounts for approval by the Governance and Audit Committee.
- 4.2 The accounts have been audited by Ernst & Young and their conclusions have been presented to the Committee. The Audit report outlines the findings of the audit and corrections required.
- 4.3 Two disclosures have not been corrected. The first relates to a figure on the cashflow statement, was not amended. The disclosure relates to the completeness of the information held in note 23 to the Accounts (page 66). The amendment was not made because all of the material reconciling items between the Income & expenditure account and cashflow statement have already been identified in the note, and amendment would not add any value to the reader of the Accounts.
- 4.4 The second disclosure relates to the bad debt provision calculation for Council Tax. The provision is shared with all of the major preceptors, with the majority of the provision relating to the County Council. The County have been contacted and have confirmed that the adjustment is not material, and therefore have not adjusted their accounts. The Havant accounts have not been adjusted to ensure consistency.

5.0 Letter of Representation

- 5.1 The Letter of Representation is the Council's formal response to the Audit Results report. It outlines how the Council has complied with its statutory duties.
- 5.2 The Audit report recommends that the Council thoroughly review its Business Rates Appeals provision. The letter includes a management representation that it will undertake this review during 2016/17.
- 5.3 The Letter also outlines the reasoning behind the uncorrected disclosures as outlined in 4.3 and 4.4.
- 5.4 The draft Letter of Representation is attached as appendix B to this report.

Implications

- 6.1 Resources: No direct implications
- 6.2 Legal: The Council is required to publish Accounts within a statutory timescale. Robust year end processes mitigate the risk of not meeting these timescales.
- 6.3 Strategy: No direct implications
- 6.4 Risks: No direct implications
- 6.5 Communications: No direct implications
- 6.6 For the Community: No direct implications

7.0 Consultation:

Interim Head of Finance & Assets
Central Finance Team Leader

- 8.1 Appendices:
 - A. Statement of Accounts 2015/16
 - B. Draft Letter of Representation

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