

Chichester District Council

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

26 July 2018

Statement of Accounts for 2017-18

1. Contact(s)

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2. Recommendation

- 2.1. That the Committee consider and approve the audited Statement of Accounts shown in Appendix 2 for the financial year ended 31 March 2018, note the outturn position and authorise the Letter of Representation to be given to the Council's External Auditor.**

3. Main Report

3.1. Introduction

- 3.1.1 The Accounts and Audit Regulations 2015 set out the requirements for the production and publication of the Council's annual Statement of Accounts. The Council's approved Statement of Accounts must be published by no later than 31 July, together with any audit certificate or opinion, the narrative statement and the Annual Governance Statement.
- 3.1.2 Council has delegated the approval of the Council's Statement of Accounts to the Corporate Governance and Audit Committee. The Director of Corporate Services, as the Council's responsible financial officer, authorised the draft Statement of Accounts for issue on 24 May 2018. The draft statements have subsequently been subject to audit by the Council's external auditors, Ernst & Young LLP and were subject to public inspection during June and July.
- 3.1.3 The investment of time reviewing and improving processes and practices including those reported to this Committee at its meeting in March 2018, bringing forward the completion of certain tasks, and having early dialogue with our external auditors about information disclosure requirements in the published accounts document, has enabled the finance team to complete the closedown process in record time this year.

- 3.1.4 The team have reduced the period taken to accomplish this task by over four weeks which is a significant achievement that guaranteed the Council complied with the earlier statutory deadline for publishing the unaudited statements by 31 May. The accountants were assisted by a team of service department Divisional Champions who coordinated the completion of information required by the finance team.
- 3.1.5 The unaudited statements were published on the Council's website on 24 May 2018. This will be replaced with the audited version following this Committee meeting.
- 3.1.6 Ernst & Young LLP expect to complete their audit by the date of the Committee and will report separately on their findings at this meeting. Based on discussions to date at the time of writing this report, officers expect the external auditors will issue their unqualified opinion on the Statement of Accounts and the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.
- 3.1.7 The Council has not received any questions or objections to its accounts from the public.

3.2. The Statement of Accounts

3.2.1 The Statement of Accounts comprises:

- A Narrative Report
- Statement of Responsibilities for the Statement of Accounts
- The accounting statements
- The accounting policies on which the accounts have been prepared
- Notes to the accounts.

3.2.2 The format and content of the accounts is mostly prescribed by the Chartered Institute of Public Finance & Accountancy's (CIPFA) Code of Practice, however authorities are able to report the Cost of Services in the Comprehensive Income and Expenditure Statement on the same basis as they are organised, breaking the formal link between the CIPFA Service Reporting Code of Practice (SeRCOP).

3.2.3 Interpretation of the accounts highlighting the key issues and headline figures is contained within the narrative report section of the Statement of Accounts.

3.3. Analysis of the 2017-18 General Fund position

3.3.1 The audited outturn position on the General Fund for 2017-18 is a surplus of £1,318,470 that is transferred to the General Fund Balance. The main variances between the General Fund original budget and the outturn position for 2017-18 can be found in Appendix 1.

3.3.2 The impact of these variations will be taken into account while monitoring and forecasting the 2018-19 outturn, and will also be considered when the setting the 2019-20 base budget.

3.4. Letter of Representation

3.4.1 It is a requirement that the Council issues a Letter of Representation to its external auditors and this is referred to in the Ernst & Young LLP Audit Results Report also on this agenda. The draft Letter of Representation will be circulated to members at the meeting of this Committee.

4. Appendix

Appendix 1- Analysis of major variations

Appendix 2 – Audited Statement of Accounts 2017-2018 (to follow)

5. Background Papers

None