

Body:	Audit and Governance Committee
Date:	25 July 2018
Subject:	Statement of Accounts 2017/18
Report of:	Head of Finance
Cabinet member:	Councillor Stephen Holt
Ward(s):	ALL
Purpose of the report:	To agree the audited accounts for 2017/18 under powers delegated by the Council.
Recommendation:	Members are asked to : i) Approve the final accounts for 2017/18. ii) Note the unadjusted audit differences identified by External Audit. iii) Agree delegated authority to the Chief Finance Officer to make amendments to the Statement of Accounts.
Reasons for recommendations:	The Accounts and Audit Regulations 2015 require the Chief Finance Officer and Councillors to certify and approve an audited set of accounts for publication by no later than 30 July.
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1.0	Introduction
1.1	The statutory deadline for local authorities to publish draft accounts and make them available to the auditor has come forward this year by one month, from 30 June to 31 May. The deadline for completion of the publication of the audited accounts has been brought forward by two months, from 30 September to 31 July.
1.2	The draft accounts were submitted to BDO for audit on 31 May and have been available on the Council's website since that date.
2.0	Accounting Changes to the Statement of Accounts
2.1	There have been no major accounting changes to the Statement of Accounts for this year.

3.0	Audit of Accounts
3.1	BDO has now issued the draft ISA260 Annual Governance Report which is included as a separate report to this committee.
3.2	BDO has indicated that subject to satisfactory completion of the outstanding work it is anticipated that an unmodified audit opinion on both this Council's accounting statements and the group accounting statements will be issued. The opinion is expected to be given before the statutory deadline of 31 July.
4.0	Key issues arising from the audit
4.1	A full list of all the major corrected audit differences is given in the body and at appendix I of BDO's Audit Completion (ISA260) Report.
4.2	<p>There are the following two unadjusted audit differences:</p> <ul style="list-style-type: none"> • An understatement of the impairment allowance for bad debts for council taxpayers (£26k) and business ratepayers (£35k) at the end of 16/17, which affects the Council's opening financial position. The allowance is calculated at the end of each financial year based on the debts outstanding at 31 March and therefore this unadjusted error has no implications for the year end position. • A potential understatement of £401k on the land and buildings valued on an existing use basis as a result of not applying any indexation, as per the advice from the council's Valuer. A review of market data undertaken by BDO suggests that there would have been an increase in value. This has no impact on the financial position of the council as this is a technical accounting adjustment, which does not form part of the council's final outturn.
4.3	There were no significant deficiencies in the Control Environment for 2017/18. However BDO identified two other deficiencies, full details of the observations, implications, recommendations and management responses are given at appendix II of BDO's report.
5.0	Consultation
5.1	The draft accounts are available on the Council's Web site and are open for public inspection when any taxpayer of the Borough is entitled to come, inspect and make copies of the accounts and all books, deeds, contracts, bills, vouchers and receipts related to those accounts.
6.0	Financial appraisal
6.1	The final outturn for the 17/18 year was presented to Cabinet on 11 July 2018.

7.0	Legal implications
7.1	The Accounts have been prepared in accordance with 2017/18 Code of Practice on Local Authority Accounting in the United Kingdom (the Code), based on International Financial Reporting Standards.
8.0	Background papers
8.1	Final Accounts working papers 2017/18 BDO Audit Completion (ISA260) Report 2017/18