

HERTFORDSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

MONDAY 11 SEPTEMBER 2017 AT 10.00 AM

ANNUAL STATEMENT OF ACCOUNTS 2016/17 – HERTFORDSHIRE COUNTY COUNCIL (INCLUDING FIRE FIGHTERS' PENSION FUND) FINANCIAL STATEMENTS

Report of the Director of Resources

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Executive Member: David Williams, Resources, Property & the Economy

1. Purpose of the Report

- 1.1 To provide the Committee with an outline of any significant changes to the draft Statement of Accounts, and to recommend their approval.

2. Summary

- 2.1 The draft Statement of Accounts has now been audited, and a small number of changes made. This report sets out the key areas of change and their impact. The revised accounts are at Appendix A (TO FOLLOW) to the report.

3. Recommendations

- 3.1 The Committee is invited to approve the Annual Statement of Accounts.

4. Background

- 4.1 The draft Statement of Accounts, which were subject to audit and final approval, were certified by the Chief Finance Officer in June 2017.
- 4.2 Following the audit review of the Council's accounts, a small number of changes have been made to the statements of accounts.

5. Changes to the Statement of Accounts

- 5.1 A small number of changes have been made to the Statement of Accounts as a result of the audit. The following changes did not impact the General Fund balance:
- 5.1.1 Correction of £1.952m vehicles, plant and equipment assets that had not been written out when some schools converted to academy or foundation status (note 12);
- 5.1.2 Correcting the year end adjustment for accumulated compensated absences (the value of leave paid but not taken at year end –see note 24) by £2.164m;

- 5.1.3 A £1.27m payment made on behalf of the Hertfordshire Local Enterprise Partnership (LEP) was incorrectly treated in the accounts as a loan rather than a grant payment. Expenditure and the value of debtors recognised in the accounts has been adjusted to reflect this.
- 5.2 In addition, there have been a number of minor disclosure amendments, mainly comprising text changes to clarify meaning. Critical Judgements (note 3) includes additional text explaining the inclusion of the Hertfordshire LEP within the accounts. There has been some clarification of contingent liabilities including the Metropolitan Line Extension (note 42). The Expenditure and Funding Analysis has been moved in order to make it clear that this does not form part of the core statement of accounts, and an additional table has been added showing adjustments between the funding and accounting basis following the segmental reporting structure used in the Council's management accounts.
- 5.3 A final version of the accounts incorporating the auditor's final opinion and certificate will be published on the Council's website by 30 September 2017 in accordance with the statutory deadlines, and is provided (excluding the auditor's certificate) at Appendix A (TO FOLLOW).