

**Report for:** Corporate Committee 20 September 2018

**Item number:**

**Title:** 2017/18 Statement of Accounts - update

**Report authorised by :** Jon Warlow, Int. Director of Finance

**Lead Officer:** Frances Palopoli, Head of Finance Operations, 0208 489 3896, frances.palopoli@haringey.gov.uk

**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Non Key Decision

**1. Describe the issue under consideration**

To provide details of the final outcome of the external audit of the 2017/18 Statement of Accounts which completed on 31 July 2018 and the agreed management actions being taken forward.

**2. Cabinet Member Introduction**

Not applicable

**3. Recommendations**

**4.**

That the Committee:

- a) Note that the final 2017/18 general fund outturn, post completion of the external audit, was an overspend of £0.404m compared to the £0.019m reported in the outturn which has been offset against the GF reserve. The 2018/19 brought forward GF reserve balance is now £15.5m still in line with the level proposed in the budget paper approved by Full Council in February 2018.
- b) Notes the contents of the external auditor's final audit completion report at Appendix A & annual audit letter at Appendix B, including the agreed management responses to the recommended actions contained in Appendix II of Appendix A.
- c) Confirms when to receive an update on progress against agreed actions.

**5. Reasons for decision**

Making arrangements for proper administration of financial affairs under section 151 Local Government Act 1972 & Approving statements under The Accounts and Audit Regulations 2015 and any amendment or re-enactment of the Regulations and considering the external auditor's report on issues arising from

the audit of the accounts or any other concerns relating to accounting policies are the responsibility of the Corporate Committee.

## **6. Alternative options considered**

n/a

## **7. Background information**

- 7.1 The Corporate Committee on 24 July received the 2017/18 Statement of Account along with the draft external audit report which was presented by the auditor - BDO LLP.
- 7.2 At that date, due to the revised statutory deadlines, BDO had yet to complete all of their testing although they confirmed to the Committee that they did not expect to identify any significant issues above anything that was included in their draft audit report discussed on the 24<sup>th</sup> July. Committee therefore confirmed approval to delegate the final sign off to the Chair and Chief Finance Officer in order to meet the statutory deadline of 31 July 2018.
- 7.3 The audit testing was completed and the accounts were duly signed off and published to meet the new deadline. The final BDO audit completion report for the year ended 31 March 2018 is attached as Appendix 1.
- 7.4 The completion of the audit work, after the committee meeting highlighted a few items well below materiality that management agreed not to adjust for. The biggest item, which impacted on the net asset figure, was the actuary's underestimation of the growth on assets included in the IAS 19 report; this was discussed at the committee meeting but not included in the draft report. The final impact of all the unadjusted audit differences (see page 3 and Appendix 1 of the BDO report) if corrected would be to decrease the deficit on the provision of services for the year by £3.7m and increase net assets by £7.6m. There would have been no impact on the General Fund balance or HRA balance.
- 7.5 There were no changes to the recommendations between the two reports and management have already started to action these.
- 7.6 The work on the Whole of Government Accounts (WGA) has been completed and submitted to the Treasury by the deadline of the 31 August 2018.

### **Objections**

- 7.7 The Annual Audit Letter for the year ended 31 March 2018 (Appendix B) summarises the key issues arising from the work carried out at LB Haringey for the year ended 31 March 2018 and includes an update on the questions and objections received from local electors as part of their statutory powers (page 10 of Appendix B). One objection was raised around the proper maintenance of dwellings in accordance with the Council's duty as a landlord which BDO LLP considered a valid objection.
- 7.8 Work is on-going to investigate this matter however BDO are satisfied from their review to date that it does not have a material effect on the financial statements or on their value for money conclusion.

## **8. Contribution to strategic outcomes**

Good financial management supports delivery of strategic outcomes.

## **9. Statutory Officers comments**

### **Finance**

These are included within the report.

### **Procurement**

Strategic Procurement notes the contents of this report.

### **Legal**

The Corporate Committee received the Statement of Accounts at its meeting of 24 July 2018. This report provides an update to the draft external audit report presented at that meeting by the external auditor, BDO LLP.

The Statement of Accounts and subsequent audit have been produced in accordance with the Accounts and Audit Regulations 2015, the Chartered Institute of Public Finance (CIPFA) Code of Practice and industry best practice principles and there are no areas of dispute between the Council and the auditors. Accordingly there are no direct legal implications arising from the report.

### **Equality**

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not; and
- Foster good relations between people who share those characteristics and people who do not.

There are no direct equality implications arising from the report.

## **10. Use of Appendices**

Appendix A – BDO LLP Audit Completion Report for the year ended 31 March 2018

Appendix B – BDO LLP Annual Audit Letter for the year ended 31 March 2018

## **11. Local Government (Access to Information) Act 1985**

London Borough of Haringey 2017/18 Statement of Account

