

**APPROVAL FOR PUBLICATION OF THE 2006/07 ACCOUNTS  
(Report by the Head of Financial Services)**

**1. PURPOSE**

- 1.1 To complete the processes for finalising and publishing the Council's accounts for 2006/07.

**2. BACKGROUND**

- 2.1 At its June meeting the Panel approved the draft accounts for audit. The remaining steps to the process are:

- Approving the Corporate Governance Statement (previous item on your agenda)
- Approving the Council's letter of Representation
- Receiving the Auditor's report
- Approving the revised accounts

**3. APPROVING THE COUNCIL'S LETTER OF REPRESENTATION**

- 3.1 Each year a letter has to be given to the auditor by the Council which explains what the Council has done to ensure its financial records are accurate. It is Best Practice for the Panel to approve the content of this letter which is attached at Annex A.

**4. RECEIVING THE AUDITOR'S REPORT**

- 4.1 The External Auditor's report is still being finalised, partly due to a recent notification of an additional £400k of LABGI grant which it has now been agreed will have to be included in last year's accounts.
- 4.2 The report will be circulated as soon as it is available and it will be presented to the meeting by Paul Winrow, a Director of Grant Thornton.
- 4.3 As usual, the auditors have found a small number of changes that need to be made to the accounts and some suggested systems improvements. These together with the Council's responses are included in their report.
- 4.4 It is expected that we will receive an unqualified audit opinion.

## **5. APPROVING THE REVISED ACCOUNTS**

- 5.1 A revised set of accounts which include the changes referred to in the Auditor's report is currently being finalised and will be circulated as soon as they are available.
- 5.2 It is best practice for the Panel to approve the revised accounts for publication.

## **6. RECOMMENDATIONS**

- 6.1 It is recommended that the Panel:
- Approve the letter of representation at Annex A and authorise the Director of Commerce and Technology to sign it on behalf of the Council.
  - Receive the Auditor's report and note the action plan in its Appendix A for dealing with the matters highlighted.
  - Approve the revised accounts for publication.

### **ACCESS TO INFORMATION ACT 1985**

Final Accounts and Working Papers held in the Accountancy Section

**Contact Officer:** Steve Couper, Head of Financial Services ☎ 01480 388103

**Grant Thornton UK LLP**  
**Daedalus House**  
**Station Road**  
**Cambridge**  
**CB1 2RE**

Dear Sirs

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other directors and officials of Huntingdonshire District Council (the Council), the following representations given to you in connection with your audit of the Council financial statements for the year ended 31 March 2007.

**General**

We acknowledge our responsibility for preparing financial statements which present fairly the financial position of the Council and for making accurate representations to you.

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all member meetings, have been made available to you.

**Going concern**

We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that, as at 25 September 2007, no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

**Accounting estimates**

We acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with UK GAAP, we selected the estimation technique considered to be the most appropriate to the Council's particular circumstances for the purpose of giving a true and fair view. Those estimates reflect our judgement based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:

- a) to reduce debtors to their estimated collectable amounts;
- b) to reduce obsolete, damaged or excess stocks to their estimated net realisable value;

- c) for any impairment losses identified in relation to tangible fixed assets;
- d) for uninsured or unfunded losses attributable to events occurring by 31 March 2007.

### **Directors and other related party disclosures**

We confirm that:

- a) registers of interests are complete and up to date in respect of members and key officers
- b) guidance has been issued to make members and key officers aware of the requirement to declare all interests relevant to the Council, including interests of families, partners and entities controlled by them
- c) there are no other relationships of which we are aware that require disclosure in the statement of accounts.

### **Income Recognition**

We confirm that income is accounted for by applying the accruals convention so that income is recognised in the period in which services are provided. Where income has been received for a specific activity to be delivered in the following financial year, that income is deferred.

### **Fraud and error**

We acknowledge our responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error. In that regard we confirm that we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the Council and any events during the period of which we are aware that involved dishonest or fraudulent conduct or which resulted from a material weakness or breakdown in the accounting records and related internal controls. There have been no frauds or other irregularities involving management or employees who have significant roles in the accounting and control systems and no irregularities involving other employees that could have a material effect on the financial statements.

We have also disclosed to you our knowledge of any allegations of fraud or suspected fraud affecting the financial statements communicated by employees or others.

### **Law and regulations**

We are not aware of any events that involve possible or actual non-compliance with those laws and regulations, which are central to the Council's ability to conduct its business. Neither are we aware of other events that involve possible or actual non-compliance with laws or regulations whose consequences may have a potentially material effect on the financial statements and which therefore should be considered for disclosure or as a basis for recording a loss or provision.

**Commitments and Contingent Liabilities**

All claims against the Council of which we are aware have been accounted for through provisions or disclosed under contingent liabilities where appropriate. The Council has complied with all aspects of contractual agreements that could have a material effect on the accounts in the event of non-compliance.

Except as disclosed in the financial statements:

- a) there are no charges or other encumbrances on the Council's assets
- b) there are no significant financing agreements in respect of provision of assets or services

**Post balance sheet events**

Other than as disclosed in the accounts there have been no events since the balance sheet date, which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. In particular, we have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities. In that regard:

- provision has been made to reflect any impairments in asset values
- the Council has no significant amounts of idle property and equipment.

**Effects of uncorrected misstatements identified in the audit**

We have considered your Summary of Unadjusted Misstatements, as reported under ISA260 and which is attached as an Appendix to this letter, and your request that these misstatements should be adjusted in the financial statements.

**Approval**

This letter of representation was approved by the Corporate Governance Panel at its meeting on 25 September 2007.

Signed on behalf of the Council

<b>Terry Parker</b>
<b>Director of Commerce and Technology</b>
<b>25 September 2007</b>