

**APPROVAL FOR PUBLICATION OF THE 2008/09 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 2008/09. This includes the accounts of the three largest Leisure Centres as the Joint Committees have now been disbanded. Next time, the Leisure Centres will be incorporated in the main accounts.

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
- Approving the Letters of Representation
- Receiving the Auditor's reports
- Approving the revised accounts

- 2.2 The Corporate Governance Statement is an earlier item on your agenda. Annex A contains the Letter's of Representation, and Annex B the Auditor's reports. The revised accounts are being finalised by the auditors and will be circulated as soon as they are available.

3. APPROVING THE LETTERS OF REPRESENTATION

- 3.1 Each year a letter, for each set of accounts, has to be given to the auditor 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 these letters.

4. RECEIVING THE AUDITOR'S REPORTS

- 4.1 These will be presented to the meeting by our External Auditors, Grant Thornton UK LLP.

- 4.2 As usual, the auditors have identified a number of changes, that need to be made to the accounts. There are three items of significant value on the main accounts but none affect the Council's "bottom line" (i.e. the net expenditure to be financed from grant, council tax and revenue reserves) as they are about errors in classification within the Balance Sheet or items relating to the revaluation which are statutorily deducted before reaching the bottom line.
- 4.3 Of these three errors, one was due to poor communication between sections, one was human error and the third was due to trying to comply with the external auditors request to include the April revaluation information into the accounts. This was a significant task at a time when staff were already under pressure and this led to some inaccuracies. In each case the lessons have been learnt so as to avoid recurrence.
- 4.4 The auditors are again recommending that all Journals are checked by another member of staff. Until last year the response had been:

Journals can only be processed by accountancy staff who work in small teams under the supervision of a Principal Accountant. They are experienced and competent staff. In the circumstances and given the number of journals processed per year the level of risk is low and the resources required for effective checking not warranted.

- 4.5 Whilst this was still true, last year it was agreed that:

Consideration will be given to whether there are any particular types of journals (e.g. significant impact on the final accounts) that should be checked or subsequently reviewed.

- 4.6 It was subsequently agreed that, those journals that would have an impact on the bottom line would be reviewed and this took place. No errors were found but it is intended to continue this, at least for another year.
- 4.7 Within the errors referred to above there was at least one that might have been avoided by a review of items significantly affecting the balance sheet and so consideration will be given to whether this can be fitted into the close-down programme for this year's accounts.
- 4.8 It is also intended to try and build more time into the programme for critical review to avoid, or at least minimise, significant errors.

4.9 It is expected that we will receive an unqualified audit opinion on the final accounts.

5. APPROVING THE REVISED ACCOUNTS

5.1 The revised sets of accounts, which include the changes requested by the Auditor, are 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 Letters of Representation and authorise the Director of Commerce and Technology to sign them on behalf of the Council.
- Receive the Auditor's reports and note the action plan for dealing with the matters highlighted.
- Approve the revised sets of 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
Byron House
Cowley Road
Cambridge Business Park
CAMBRIDGE
CB4 0WZ

22 September 2009

Dear Sirs

Huntingdonshire District Council
Financial Statements for the Year Ended 31 March 2009

We are writing to confirm to the best of our knowledge and belief, and having made appropriate enquiries of members and other officers of the authority, the following representations given to you in respect of your audit of the above financial statements for the year ended 31 March 2009.

- i We acknowledge our responsibility for ensuring that financial statements are prepared which present fairly the financial position of the authority and for making accurate representations to you.
- ii As far as we are aware:
 - there is no relevant audit information (including that related to post balance sheet events) of which you are unaware; and
 - we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that you are aware of that information.
- iii All the accounting records of the authority have been made available to you for the purpose of your audit and all the transactions undertaken by the authority have been properly recorded in the accounting records and reflected in the financial statements.
- iv All other records and related information, including minutes of all management and Committee meetings, have been made available to you.
- v 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 the 2008 local government Statement of Recommended Practice, we selected the estimation technique considered to be the most appropriate to the authority's particular circumstances for the purpose of giving a presents fairly view. Those estimates, whose basis are clearly disclosed in our financial statements, 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:
 - i. to reduce debtors to their estimated collectable amounts;

- ii. for any impairment losses or other write downs identified in relation to tangible fixed assets.
- vi The financial statements are free of material misstatements, including omissions.
- vii We confirm that the value of land and buildings including finance leases are not materially different to the values in the financial statements.
- viii We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- ix 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.
- x We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- xi We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- xii Except as stated in the accounts:
 - there are no unrecorded liabilities, actual or contingent
 - none of the assets of the authority have been assigned, pledged or mortgaged
 - there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- xiii There were no transactions, arrangements or agreements to provide credit facilities, (including loans, quasi-loans or credit transactions and guarantees to provide security for such matters), involving directors or officers that should be disclosed in the financial statements.
- xiv All related parties have been identified to you and there were no transactions with related parties nor details of controlling interests which should be disclosed in the financial statements, that are not all ready disclosed in the notes to the accounts.
- xv There are no claims, legal proceedings or other matters which may lead to a loss falling on the authority or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements except as disclosed in the notes to the accounts.
- xvi The authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of

regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

- xvii We are not aware of any instances of actual or possible non-compliance with laws and regulations which might affect the view given by the financial statements.
- xviii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xix No inventory is stated at an amount in excess of net realisable value.
- xx No significant events having an effect on the financial position of the authority have taken place since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto except as disclosed in the financial statements.
- xxi We believe that the authority'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 authority's needs. We believe that as at 22 September 2009 no further disclosures relating to the authority's ability to continue as a going concern need to be made in the financial statements.

The financial statements have been fully explained to and discussed with us.

Approval

The approval of this letter of representation was minuted by the Corporate Governance Panel at its meeting on 22 September 2009.

Signed on behalf of Huntingdonshire District Council.

Terry Parker
Director of Commerce and Technology
22 September 2009

Grant Thornton UK LLP
Byron House
Cambridge Business Park
CAMBRIDGE
CB4 0WZ

22 September 2009

Dear Sirs

**Huntingdon Leisure Centre Management Committee
Financial Statements for the Year Ended 31 March 2009**

We are writing to confirm to the best of our knowledge and belief, and having made appropriate enquiries of members and staff of Huntingdon Leisure Centre Management Committee ('the Committee'), the following representations given to you in respect of your audit of the above financial statements for the year ended 31 March 2009.

xxii We acknowledge our responsibility for ensuring that financial statements are prepared which present fairly the financial position of the authority and for making accurate representations to you.

xxiii As far as we are aware:

- there is no relevant audit information of which you are unaware; and
- we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that you are aware of that information.

xxiv All the accounting records of the Committee have been made available to you for the purpose of your audit and all the transactions undertaken by the Committee have been properly recorded in the accounting records and reflected in the financial statements.

xxv All other records and related information, including minutes of all management and Committee meetings, have been made available to you.

xxvi 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 the 2008 SORP, we selected the estimation technique considered to be the most appropriate to the authority's particular circumstances for the purpose of giving a presents fairly 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:

- i. to reduce debtors to their estimated collectable amounts;

xxvii The financial statements are free of material misstatements, including omissions.

- xxviii We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- xxix 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.
- xxx We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
- management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- xxxi We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- xxxii Except as stated in the accounts:
- there are no unrecorded liabilities, actual or contingent
 - none of the assets of the Committee have been assigned, pledged or mortgaged
 - there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- xxxiii There were no transactions, arrangements or agreements to provide credit facilities, (including loans, quasi-loans or credit transactions and guarantees to provide security for such matters), involving directors or officers that should be disclosed in the financial statements.
- xxxiv All related parties have been identified to you and there were no transactions with related parties nor details of controlling interests which should be disclosed in the financial statements, that are not all ready disclosed in the notes to the accounts.
- xxxv There are no claims, legal proceedings or other matters which may lead to a loss falling on the Committee or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements except as disclosed in the notes to the accounts.
- xxxvi The Committee has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- xxxvii We are not aware of any instances of actual or possible non-compliance with laws and regulations which might affect the view given by the financial statements.
- xxxviii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial

statements.

xxxix No inventory is stated at an amount in excess of net realisable value.

xi No significant events having an effect on the financial position of the Committee have taken place since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto.

xli We believe that the Committee'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 Committee's needs. We believe that as at 22 September 2009 no further disclosures relating to the Committee's ability to continue as a going concern need to be made in the financial statements.

The financial statements have been fully explained to and discussed with us.

Approval

The approval of this letter of representation was minuted by Corporate Governance Panel at its meeting on 22 September 2009.

Signed on behalf of Huntingdonshire District Council.

Terry Parker
Director of Commerce and Technology
22 September 2009

Grant Thornton UK LLP
Byron House
Cambridge Business Park
CAMBRIDGE
CB4 0WZ

22 September 2009

Dear Sirs

**St Ivo Leisure Centre Management Committee
Financial Statements for the Year Ended 31 March 2009**

We are writing to confirm to the best of our knowledge and belief, and having made appropriate enquiries of members and staff of St Ivo Leisure Centre Management Committee ('the Committee'), the following representations given to you in respect of your audit of the above financial statements for the year ended 31 March 2009.

- xlii We acknowledge our responsibility for ensuring that financial statements are prepared which present fairly the financial position of the authority and for making accurate representations to you.

- xliii As far as we are aware:
 - there is no relevant audit information of which you are unaware; and
 - we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that you are aware of that information.

- xliv All the accounting records of the Committee have been made available to you for the purpose of your audit and all the transactions undertaken by the Committee have been properly recorded in the accounting records and reflected in the financial statements.

- xlv All other records and related information, including minutes of all management and Committee meetings, have been made available to you.

- xlvi 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 the 2008 SORP, we selected the estimation technique considered to be the most appropriate to the authority's particular circumstances for the purpose of giving a presents fairly 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:
 - i. to reduce debtors to their estimated collectable amounts;

- xlvii The financial statements are free of material misstatements, including omissions.

- xlviii We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- xlix 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.
- I We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
- management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- li We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- lii Except as stated in the accounts:
- there are no unrecorded liabilities, actual or contingent
 - none of the assets of the Committee have been assigned, pledged or mortgaged
 - there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- liii There were no transactions, arrangements or agreements to provide credit facilities, (including loans, quasi-loans or credit transactions and guarantees to provide security for such matters), involving directors or officers that should be disclosed in the financial statements.
- liv All related parties have been identified to you and there were no transactions with related parties nor details of controlling interests which should be disclosed in the financial statements, that are not all ready disclosed in the notes to the accounts.
- lv There are no claims, legal proceedings or other matters which may lead to a loss falling on the Committee or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements except as disclosed in the notes to the accounts.
- lvi The Committee has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- lvii We are not aware of any instances of actual or possible non-compliance with laws and regulations which might affect the view given by the financial statements.
- lviii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

- lix No inventory is stated at an amount in excess of net realisable value.
- lx No significant events having an effect on the financial position of the Committee have taken place since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto.
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The financial statements have been fully explained to and discussed with us.

Approval

The approval of this letter of representation was minuted by Corporate Governance Panel at its meeting on 22 September 2009.
Signed on behalf of Huntingdonshire District Council.

Terry Parker
Director of Commerce and Technology
22 September 2009

Grant Thornton UK LLP
Byron House
Cambridge Business Park
CAMBRIDGE
CB4 0WZ

22 September 2009

Dear Sirs

**St Neots Leisure Centre Management Committee
Financial Statements for the Year Ended 31 March 2009**

We are writing to confirm to the best of our knowledge and belief, and having made appropriate enquiries of members and staff of St Neots Leisure Centre Management Committee ('the Committee'), the following representations given to you in respect of your audit of the above financial statements for the year ended 31 March 2009.

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- lxxiv All related parties have been identified to you and there were no transactions with related parties nor details of controlling interests which should be disclosed in the financial statements, that are not all ready disclosed in the notes to the accounts.
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- lxxvi The Committee has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- lxxvii We are not aware of any instances of actual or possible non-compliance with laws and regulations which might affect the view given by the financial statements.
- lxxviii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial

statements.

lxxix No inventory is stated at an amount in excess of net realisable value.

lxxx No significant events having an effect on the financial position of the Committee have taken place since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto.

lxxxi We believe that the Committee'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 Committee's needs. We believe that as at 22 September 2009 no further disclosures relating to the Committee's ability to continue as a going concern need to be made in the financial statements.

The financial statements have been fully explained to and discussed with us.

Approval

The approval of this letter of representation was minuted by Corporate Governance Panel at its meeting on 22 September 2009.

Signed on behalf of Huntingdonshire District Council.

Terry Parker
Director of Commerce and Technology
22 September 2009