

**APPROVAL FOR PUBLICATION OF THE 2009/10 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 2009/10.

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 (earlier 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 and it is attached as Annex A.

4. RECEIVING THE AUDITOR'S REPORT

- 4.1 This will be presented to the meeting by our External Auditors, Grant Thornton and is attached at Annex B.

- 4.2 The main issues they have raised relate to:
- Assets – classification and treatment in the accounts
 - Restatement of the Collection Fund due to new accounting rules.
 - An extra note to reflect the Government’s proposed changes to public service pensions.
 - The need for effective budgetary control and the identification of detailed and realistic savings plans.
- 4.3 All of the changes that Grant Thornton have asked for have been made and, as usual, none affect the Council’s general fund as they are either presentational or result in compensating statutory adjustments. An unqualified audit opinion is expected.
- 4.4 An action plan shows the Council’s response to the issues that are relevant to the current or future years.

5. APPROVING THE REVISED ACCOUNTS

- 5.1 It is best practice for the Panel to approve the revised accounts for publication. These are attached as Annex C.

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 (Annex B) and note the action plan for dealing with the issues identified.
 - Approve the revised accounts (Annex C) 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

LETTER OF REPRESENTATION

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

28 September
2010

Dear Sirs

Financial Statements for the Year Ended 31 March 2010

We confirm to the best of our knowledge and belief that the following representations are made on the basis of appropriate enquiries of other officers and members with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you in respect of your audit of the above financial statements

- i We acknowledge our responsibilities for ensuring that financial statements are prepared which give a true and fair view of the financial position of the Council in accordance with the SoRP and for making accurate representations to you.
- ii As far as we are aware:
 - a there is no relevant audit information of which you are unaware
 - b 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 We have complied with the requirements of all statutory directions and these matters have been appropriately reflected and disclosed in the financial statements.
- iv 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 recorded in the accounting records and reflected in the financial statements.
- v All other records and related information, including minutes of all Council and Committee meetings, have been made available to you
- vi 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 2009 SoRP, 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 judgment 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.

- vii We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for FRS 17 disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant retirement benefits have been identified and properly accounted for (including any arrangements that are statutory, contractual or implicit in the employer's actions, that arise in the UK or overseas, that are funded or unfunded)
- viii The financial statements are free of material misstatements, including omissions
- ix We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud
- x 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
- xi We are not aware of any irregularities, including fraud, involving management or employees of the Council. We are not aware of any instances of actual or possible non-compliance with laws, regulations, contracts, agreements or the Council's constitution that might result in the Council suffering significant penalties, other loss or affecting the financial statements. No allegations of such irregularities, including fraud, or such non-compliance have come to our notice
- xii We have disclosed to you all related parties and there were no transactions with officers, members or other related parties which should be disclosed in the financial statements except as disclosed in note 10
- xiii Except as stated in the accounts:
 - a there are no unrecorded liabilities, actual or contingent
 - b none of the assets of the Council has been assigned, pledged or mortgaged
 - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure
- xiv There are no claims, legal proceedings or other matters which may lead to a loss falling on the Council or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements
- xv The Council 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

- xvi We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements, other than as required by the restatement of accounts under International Financial Reporting Standards in accordance with the 2010 Code.
- xvii No significant events having an effect on the financial position of the Council 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
- xviii 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 no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.
- xix We have compiled our accounts in accordance with FRS 5 Application note G ('revenue recognition'). We have recognised income when we have obtained the right to consideration following the fulfilment of contractual obligations concerning the supply of goods and services
- xx The Council has determined the fair values of derivatives and other financial instruments through the calculation of the present value of the cash flows that will take place over the remaining term of the instruments using assumptions as detailed in note 35 to the accounts.
- xxi We have disclosed to you the likely outcomes of litigation or uncertain situations, which have been disclosed in the financial statements where appropriate.

Approval

The approval of this letter of representation was minuted by the Corporate Governance Panel at its meeting on 28 September 2010

Signed on behalf of Huntingdonshire District Council

Terry Parker
Director of Commerce and Technology
28 September 2010