

<b>DECISION-MAKER:</b>	<b>GOVERNANCE COMMITTEE</b>		
<b>SUBJECT:</b>	<b>FINANCIAL STATEMENTS 2018/19</b>		
<b>DATE OF DECISION:</b>	<b>30 SEPTEMBER 2019</b>		
<b>REPORT OF:</b>	<b>SECTION 151 OFFICER</b>		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>			
NOT APPLICABLE			
<b>BRIEF SUMMARY</b>			
<p>In accordance with the Accounts and Audit Regulations 2015 the Draft Financial Statements 2018/19 were signed by the Section 151 (S151) Officer on 15 May 2019 ahead of the 31 May deadline. A copy of the updated Financial Statements is available in the Members' Room.</p>			
<p>The year-end audit, carried out by our auditors Ernst &amp; Young LLP, commenced on 20 May 2019, however its completion was delayed beyond 31 July 2019 (the date by which local authority accounts are expected to be published) due to EY's resourcing issues. This report details the changes made to the Financial Statements arising from the findings of the audit. Any further changes, identified on submission of the final audit report, will be presented at this meeting.</p>			
<b>RECOMMENDATIONS:</b>			
	(i)	Notes the changes to the Financial Statements 2018/19 as a result of the annual audit as detailed in paragraphs 5 to 7 and appendix 1.	
	(ii)	Approves the audited Financial Statements 2018/19.	
<b>REASONS FOR REPORT RECOMMENDATIONS</b>			
1.	It is a legal requirement that the Statement of Accounts 2018/19 is considered and approved by this committee, following the completion of the audit, and signed by the person presiding at this meeting. The Financial Statements must be published as soon as reasonably practicable after the receipt of the auditor's final findings.		
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>			
2.	The Financial Statements have been prepared in accordance with statutory requirements. No other options have been considered as it is a legal requirement that the Financial Statements are prepared, and signed by the person presiding at this meeting following completion of the audit.		
<b>DETAIL (Including consultation carried out)</b>			
	<b>CONSULTATION</b>		
3.	Not applicable.		

	<b>FINANCIAL STATEMENTS</b>
4.	<p>The Financial Statements are a complex document and the layout and information provided are defined by statutory requirements. The key issues that should be drawn to the attention of Committee were presented at its meeting on 10 June 2019. A copy of this is available in the Members' Room or by following the link below.</p> <p><a href="#">Draft Financial Statements for 2018/19</a></p>
	<b>FINANCIAL STATEMENTS AMENDMENTS</b>
5.	<p>There are a number of adjustments to the Financial Statements arising from the findings of the audit, none of which change the overall bottom line position for the Council for 2018/19.</p>
6.	<p>The updated Financial Statements are available in the Members' Room. The main adjustments to the statements are outlined below, with further details in Appendix 1:</p> <ul style="list-style-type: none"> <li>• Update of the Pension Fund Liability and Pension Reserve for the McCloud/Sargeant judgement following the Supreme Court's rejection of the Government's request to appeal. This is an event that has taken place after the 31 March 2019 that materially changes estimates previously included in the accounts and therefore requires the Financial Statements to be updated;</li> <li>• Adjustment to Property, Plant and Equipment (PPE) to uprate valuations for Other Land &amp; Buildings for material differences between valuations at 31 March 2019 and previous valuations at an earlier date;</li> <li>• Amendment to the PPE note to provide separate analysis of the write out of depreciation to the Revaluation Reserve and correction of the overstatement of brought forward gross cost/valuation and accumulated depreciation/impairment balances (equal and opposite entries with no impact on the net book value);</li> <li>• Additional information provided for the prior period adjustment of the service analysis in the Expenditure &amp; Funding Analysis and Comprehensive Income and Expenditure Statement (change in Portfolio structure) and the Creditors note;</li> <li>• Removal from disclosure of amounts due to or from other public sector bodies in the Related Parties note as this is not required by the Code referred to in paragraph 13.</li> </ul>
7.	<p>The full details of adjustments to the statements and notes are detailed in Appendix 1.</p>

<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
8.	The capital and revenue implications were considered as part of the General Fund Capital Outturn report and the General Fund Revenue outturn report that were presented to Council on 17 July 2019.
<b><u>Property/Other</u></b>	
9.	Valuations for Property, Plant and Equipment have been updated. This has no effect on the resources available to the Council.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
10.	Accounts and Audit Regulations 2015.
<b><u>Other Legal Implications:</u></b>	
11.	None.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
12.	Not applicable
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
13.	Not applicable. It should be note that the Financial Statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK 2018/19.
<b>KEY DECISION?</b>	<b>Yes/No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	Schedule of changes to Draft 18-19 Accounts
<b>Documents In Members' Rooms</b>	
1.	Updated Financial Statements 2018/19
2.	Governance Committee Report 10 June 2019 – Draft Financial Statements for 2018/19.
<b>Equality Impact Assessment</b>	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes/No
<b>Privacy Impact Assessment</b>	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	Yes/No
<b>Other Background Documents</b>	
<b>Other Background documents available for inspection at:</b>	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule

	12A allowing document to be Exempt/Confidential (if applicable)
<b>1.</b>	<b>None</b>