


DECISION NO:	18/105	<i>For Member Services use only</i>
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Concurrence No:	066241
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Action under delegated authority of Chief Executive	
Action under delegated authority of Director of Finance and Chairman of the Audit and Standards Committee	X
Action taken by Chief Executive in consultation with Cabinet Member(s)	

Subject: Approval of the Statement of Accounts

Signature and designation of officer(s) taking action:

Chief Executive	Date	Director of Finance	Date
			24/7/18

Head of Financial Planning and Reporting	Date
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**Name of Cabinet Member(s) Consulted:**

I have been consulted and concur with the proposals set out below:

Councillor M Iszatt

Chairman of the Audit and Standards Committee

Signature:

Date:

24/7/18

Councillor

Cabinet Member for

Signature:

Date:

Name of any member who has declared a conflict of interest in relation to this decision: \_\_\_\_\_

**THIS DOCUMENT WILL BE PUBLISHED ON THE COUNCIL'S WEBSITE**

The report overleaf sets out the decision to be taken, the reasons for the decision, and the details of alternative options, if any, considered and rejected.

Officer decisions are available for public inspection, both at the Borough Offices and on the Council's website, for a period of six years after the decision is made. Background papers are available for four years.

**RECOMMENDED that:**

**The 2017/18 Statement of Accounts are approved.**

**Purpose**

To approve the 2017/18 Statement of Accounts.

**The Project**

The 2017/18 Statement of Accounts were presented to the 18 June 2018 Audit and Standards Committee. However, there were two outstanding items which needed to be completed before the accounts could be formally signed off.

The Committee agreed that the final sign-off of the accounts be delegated to the Chairman of the Audit and Standards Committee and the Director of Finance.

The outstanding work has now been completed and has resulted in two changes being made to the Statement of Accounts presented to the Committee.

Appendix A gives a summary of the changes.

**Pensions**

The first change relates to the figures included in the accounts relating to the Council's liability relating to the Local Government Pension Fund (LGPF). The figures incorporated into the accounts are provided by actuaries via Hertfordshire County Council. The fund is itself subject to audit and this year, the audit found that the estimated figures distributed to councils had been understated. This meant that all Hertfordshire councils were required to amend their accounts to the revised estimates.

This main impact of this change in the accounts is the long term creditor and the unusable reserves figures in the Balance Sheet.

**Investment Property Valuations**

The auditors review of the valuations applied to the Council's investment properties found that in two cases, the values given by the Council's external valuers (Lambert Smith Hampton), were lower than they would expect based on the value indicators they use. As a result of this, the valuations of the two properties were revisited by the Council's internal valuer and revised upward. The net impact of this was a £800k increase in the value of the Council's Investment Property Portfolio.

This main impact of this change in the accounts is the investment property and the unusable reserves figures in the Balance Sheet.

## Financial, Legal and Risk Management Implications

The Council's Statement of Accounts have to be approved by 31 July.

Contact Officer: R Keene

Ext:

5871 Date 20 July 2018

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Action reported to the Cabinet on:

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## Changes to statement of accounts since audit committee:

### Investment properties:

After discussions between our valuer (Kevin Clark, Head of Property Services) and EY's valuation team it was agreed to revalue the investment properties at Hoddesdon Industrial area up by £800k.

Investment Property	Original Value as at 31/3/18	Revised Value as at 31/3/18	Change to Statement of Accounts
	£000's	£000's	£000's
Hoddesdon Industrial centre	6,685	7,084	399
New River Trading Estate (Fairways)	6,345	6,746	401
<b>Total</b>			<b>800</b>

### Pensions:

As mentioned at the Audit and Standards Committee the pension note (note 32) was subject to the supplier of our pension scheme (LGPS) having no changes as a result of their audit.

There are changes as a result of the audit and Broxbourne was issued with a revised actuary report. There were changes to the

Pension	Original Value as at 31/3/18	Revised Value as at 31/3/18	Change to Statement of Accounts
	£000's	£000's	£000's
Return on plan assets (excluding the amount included in the net interest expense)	(1,143)	(2,654)	(1,511)
Fair Value of Plan Assets	90,026	91,537	1,511
Net liability arising from defined benefit obligation	(18,963)	(17,452)	1,511
Actuarial (gains)/Losses on pension assets/liabilities	(3,107)	(4,618)	(1,511)