

Corporate Governance & Standards Committee

26 July 2018

Supplementary Information Sheet

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CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

26 JULY 2018

SUPPLEMENTARY INFORMATION

AGENDA ITEMS 4 AND 5 – AUDIT FINDINGS REPORT 2017-18 AND AUDITED STATEMENT OF ACCOUNTS 2017-18

At its last meeting on 14 June, the Committee received the revenue outturn report, which advised the Committee that the draft statement of accounts were available on the Council's website www.guildford.gov.uk/soa for public inspection. Councillors on the Committee will be aware that, for 2017-18, the Government has brought forward the deadline for the audited accounts to be approved from 30 September to 31 July.

The audit of the accounts commenced in June 2018 and had been progressing well; however, a complex technical accounting issue has arisen in relation to the accounting treatment of the lease for Onslow Park and Ride and its subsequent valuation in the Council's accounts. Whilst the Director of Finance and the Associate Audit Director (Grant Thornton) have now provisionally agreed a resolution to the matter, it has not been possible to resolve the accounting issue, make the required adjustments to the 2017-18 statement of accounts, recheck the accounts and amend the audit findings report in time for this evening's meeting.

Onslow Park and Ride has been included as a finance lease within the Council's balance sheet. A value of £5.365 million for the site has been reflected in the Property, Plant and Equipment line and a corresponding value of £5.365 million has been included within the Council's revaluation reserve on the balance sheet. Upon review of the query raised by the auditors regarding the increase in valuation of the site during 2017-18, the Director of Finance has now determined that the lease is an operating lease of land only and that the value of the asset should be written out of the Council's 2017-18 accounts. This matter relates to accounting book values only and is not a cash transaction, so there is no impact of this transaction on Council Tax payers. The park and ride itself was originally constructed and paid for by Surrey County Council with funding from a government grant.

As a result, the Director of Finance proposes that in order to ensure the 2017-18 accounts are materially correct, consideration of the accounts and the audit findings report should be deferred to a special meeting of the Corporate Governance and Standards Committee on **Tuesday 7 August 2018**, at which Councillors will be asked to consider and approve these two items.

The Committee is asked to formally agree this proposal.

AGENDA ITEM 9 – WORK PROGRAMME

Addition to Work Programme – 20 September 2018

Review of Public Speaking Procedure Rules in the Council's Constitution.

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