

Name of meeting: Corporate Governance and Audit Committee

Date: 26th July 2019

Title of report: Approval of the Council's final accounts for 2018/19

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Key Decision: Yes Private Report/Private Appendix: N/A
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by Strategic Director & name	Rachel Spencer-Henshall
Is it also signed off by the Service Director for Finance, IT and Transactional Services?	Eamonn Croston
Is it also signed off by the Service Director – Legal Governance & Commissioning?	Julie Muscroft
Cabinet member portfolio - Corporate	Cllr Shabir Pandor Cllr Graham Turner

Electoral wards affected: N/A

Ward councillors consulted: N/A

Public or Private: Public

GDPR: This report contains no information that falls within the scope of General Data Protection Regulations.

The report updates Members on the final accounts and audit processes for 2018/19 and asks Members of this Committee to approve the Council's Statement of Accounts for 2018/19 and a final version of the Annual Governance Statement.

The process of producing the accounts for 2018/19 went smoothly and the draft accounts were signed on 30 May in line with the early closedown requirements. There were no queries or objections raised in the six week public inspection period. The audit of the 2018/19 Statement of Accounts is substantially complete and the Council's auditors, Grant Thornton, have issued their annual governance report (ISA 260). The draft Annual Governance Statement was approved by this Committee at its April meeting. Following consideration of this report, the Committee is responsible for the approval of the Council's accounts and the final version of the Annual Governance Statement.

2 Information required to take a decision

- 2.1 The process for producing the accounts went smoothly and the draft accounts were signed on 30 May 2019 by the Service Director- Finance. This in line with the statutory sign off deadline of 31 May 2019. The draft accounts have been available to view on the Council's website.
- 2.2 The six week period when the public are permitted to inspect the accounts started on 3 June and finished on 12 July 2019. During this period, local electors can ask the auditor questions about or raise objections to items in the accounts.
- 2.3 Two objections were raised during the Public Inspection period for the 2016-17 accounts. Both of these have now been resolved by KPMG and so we expect the formal audit certificates for 2016/17 and 2017/18 to be issued in due course. It should be noted that this has not impacted on the audit work in connection with the Statement of Accounts for 2018/19 and has not affected the audit opinion in 2016/17, 2017/18 and 2018/19 and likewise will not affect the opinion on the 2018/19 Statement of Accounts.
- 2.3 It is anticipated that Grant Thornton will issue an unqualified opinion on the Council's Statement of Accounts by 31 July. Grant Thornton have issued their annual governance report (ISA 260). The report summarises significant findings, conclusions and recommendations arising from audit work throughout the year and will have been presented to Members earlier at this meeting.
- 2.4 The auditor's report comments that the Council produces high quality and materially correct financial statements, the quality of working papers provided was good and queries have been responded to in an acceptable timeframe. No material misstatements have been identified. The accounts have been amended for typographical corrections and a few minor errors,

and in addition the disclosure on events after the balance sheet date (page 46) has been updated. A final version of the Statement of Accounts is contained in Appendix A.

- 2.5 The auditor's report also contains a Value for Money (VFM) conclusion, which provides an opinion as to whether the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In 2016/17 and 2017/18 the auditors issued an 'except for' qualified value for money conclusion highlighting the Ofsted findings from its November 2016 report. Ofsted has recently conducted a formal inspection and at the time of writing this report the Ofsted report has not been published. The Ofsted report will be formally released on 22nd July and the content of the report will inform our auditors' opinion on the VFM conclusion.
- 2.6 The Council's draft Annual Governance Statement was approved at the Committee's 20th April meeting. It has been slightly updated and is included at the back of the Statement of Accounts 2018/19, pages 130 to 152. The Leader of the Council and the Chief Executive have formally signed the Statement and now this Committee is asked to approve it.
- 2.7 The auditor seeks a Letter of Representation from the Section 151 Officer and the Chair, including confirmation that this Committee has considered this item and the comments in the Annual Governance Report. A copy is included as Appendix B.
- 2.8 It is important that the Council has sound financial, governance and resources management arrangements in place to ensure that resources are available and used to support the Council's priorities, improve services and secure value for money for our tax payers. Specifically in respect of financial statements members are expected to "exercise collective responsibility for, and prioritise, financial reporting and demonstrate robust challenge and scrutiny". To assist councillors in this regard, an explanatory paper was provided as part of the Final Accounts Update paper on the 5th June meeting of this committee along with some member training prior to the meeting. Members then raised specific queries concerning the accounts which were addressed by Officers.

3 Implications for the Council

Council funds support the delivery of the following Council objectives and priorities:

- 3.1 **Working with People**
N/A
- 3.2 **Working with Partners**
N/A
- 3.3 **Placed based working**

N/A

3.4 Improving Outcomes for Children

N/A

3.5 Reducing demand of services

N/A

3.6 Other (e.g. Legal/Financial or Human Resources)

The annual statement of accounts are subject to external validation by appointed auditors to ensure that Council funds are also properly accounted for.

4 Consultees and their opinions

The main consultation has been with Grant Thornton leading to their report.

5 Next steps

The accounts will be formally published. The conclusion of the audit will be advertised on the Council's website.

6 Officer recommendations and reasons

Corporate Governance and Audit Committee are recommended to approve:

(i) The Statement of Accounts 2018/19 incorporating the Annual Governance Statement (Appendix A), with the Chair certifying the Statement of Responsibilities on page 18.

(ii) The Letter of Representation (Appendix B), with the Chair signing it on behalf of the Committee.

7 Contact officer

James Anderson Head of Accountancy 01484 221000

Background Papers and History of Decisions

Accounts and Audit Regulations 2015
Local Audit and Accountability Act 2014

8 Service Director responsible

Eamonn Croston 01484 221000