

Name of meeting: Corporate Governance and Audit Committee
 22 July 2020

Title of report: Update on the Council’s final accounts for
 2019/20

Purpose of report

The report updates Members on the final accounts and audit processes for 2019/20.

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?	Not applicable
Key Decision - Is it in the Council’s Forward Plan (key decisions and private reports) ?	No
The Decision - Is it eligible for “call in” by Scrutiny?	No
Date signed off by Strategic Director & name	Rachel Spencer-Henshall - 13 July 2020
Is it also signed off by the Service Director for Finance	Eamonn Croston 10 July 2020
Is it also signed off by the Service Director for Governance and Commissioning Support?	Julie Muscroft 13 July 2020
Cabinet member portfolio	Cllr Shabir Pandor Cllr Graham Turner

Electoral wards affected: Not applicable

Ward councillors consulted: Not applicable

Public or private: Public

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

1. Summary

The report updates Members on the final accounts and audit processes for 2019/20.

The preparation of the Statement of Accounts is a statutory requirement and local authorities are normally required to have them signed by the section 151 Officer by 31 May and published with an Audit Certificate by 31 July, following the end of the financial year. However, in a sector-wide

response to the consequences of the COVID-19 pandemic *and consequential logistical and capacity impact on both Council and audit capacity*, CIPFA amended the statutory deadline for the production of the Unaudited Statement of Accounts for 2019-20. For the Council the revised deadline is 31 August 2020. The accompanying deadline for the completion of the audit was also amended to 30 November 2020.

Despite the significant challenges to the Council's finance team dealing with multiple competing demands, the team has made significant progress and the draft accounts will be completed and signed by the Council's Service Director - Finance over the coming weeks.

The six week public inspection period for the draft accounts 2019/20 will commence and run for 6 weeks from the date that the draft accounts are live on the Council's website. The audit of the 2019/20 Statement of Accounts is expected to commence shortly afterwards.

This Committee is responsible for the approval of the Council's Audited Statement of Accounts and the final version of the Annual Governance Statement once the audit has been completed.

The two historic objections that were raised during the Public Inspection period for the 2016-17 accounts were resolved by KPMG (as reported to this committee on 26th July 2019) and the formal audit certificates were issued.

2. Information required to take a decision

- 2.1 The Council's draft Annual Governance Statement is to be presented separately on this meeting's agenda and will be incorporated in to the Statement of Accounts
- 2.2 The COVID pandemic has brought significant challenges to the organisation, and no less so for the Council's finance team. The Council's finance function is managing competing priority demands within a volatile environment, while at the same time logistically having to adapt quickly and en masse, to the added challenges of remote working. The team however is absolutely committed to ensuring continued delivery to all relevant statutory and internal Council planning cycle reporting deadlines.

In prioritising workloads, the team has ensured that the draft accounts are produced in as timely a fashion as possible i.e. as close to the original statutory deadline for the draft accounts, of 31 May, as possible. The rationale for this has been that the team could capitalise on the early year end preparation work pre-COVID, and as well allow our auditors scope to commence aspects of their audit work earlier in the process given the auditor's own logistical and capacity challenges.

The approach taken will also then enable the same finance staff involved in the final accounts process to free up valuable capacity earlier to support the many and varied other in-year demands and challenges that the finance team are supporting the organisation with.

The draft accounts will be completed and signed by the Council's Service Director - Finance over the coming weeks, ahead of this years' revised statutory sign off deadline of 31 August 2020 (previously 31 May 2020).

- 2.3 The six week public inspection period for the draft accounts 2019/20 will commence from the date that the draft accounts are live on the Council's website. The audit of the 2019/20 Statement of Accounts is expected to commence shortly afterwards
- 2.4 It is intended that the audited Statement of Accounts are presented to this Committee for approval prior to the 30 November statutory deadline.

3. Implications for the Council

3.1 Working with People

N/A

3.2 Working with Partners

N/A

3.3 Placed based working

N/A

3.4 Climate Change and Air Quality

N/A

3.5 Improving Outcomes for Children

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

N/A

5. Next steps

It is intended that the Audited Statement of Accounts and Annual Governance Statement are presented to this Committee for approval prior to the 30 November statutory deadline.

