

**Name of meeting:** Corporate Governance and Audit Committee  
**Date:** 24th November 2020  
**Title of report:** Approval of the Council's final accounts for 2019/20

<b>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?</b>	<b>No</b>
<b>Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a></b>	<b>Key Decision: Yes</b> <b>Private Report/Private Appendix: N/A</b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>Yes</b>
<b>Date signed off by Strategic Director &amp; name</b>  <b>Is it also signed off by the Service Director for Finance, IT and Transactional Services?</b>  <b>Is it also signed off by the Service Director – Legal Governance &amp; Commissioning?</b>	<b>Rachel Spencer-Henshall 16.11.2020</b>  <b>Eamonn Croston 16.11.2020</b>  <b>Julie Muscroft 16.11.2020</b>
<b>Cabinet member portfolio - Corporate</b>	<b>Cllr Shabir Pandor</b> <b>Cllr Graham Turner</b>

**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.

## 1 Summary

The report updates Members on the final accounts and audit processes for 2019/20 and asks Members of this Committee to approve the Council's Statement of Accounts for 2019/20 and a final version of the Annual Governance Statement.

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, as previously reported to this committee on 22<sup>nd</sup> July, in a sector-wide response to the consequences of the COVID-19 pandemic, CIPFA amended the statutory deadline for the production of the Unaudited Statement of Accounts for 2019-20. For the Council the revised deadline was 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 draft accounts were signed on 31<sup>st</sup> July 2020 a month prior to the statutory sign off deadline of 31 August 2020. There were no queries or objections raised in the six week public inspection period. The audit of the 2019/20 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 31 July 2020 by the Service Director- Finance. This is a month prior to the statutory sign off deadline of 31 August 2020. 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 August and finished on 11 September 2020. During this period, local electors can ask the auditor questions about or raise objections to items in the accounts.
- 2.3 It is anticipated that Grant Thornton will issue an unqualified opinion on the Council's Statement of Accounts by 30 November. 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 disclosure 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. Grant Thornton have issued an unqualified opinion for 2019/20.
- 2.6 The Council's draft Annual Governance Statement was approved at the Committee's 22nd July meeting. It has been slightly updated and is included at the back of the Statement of Accounts 2019/20, pages 132 to 145. 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 to members of this committee along with a copy of the Unaudited Statement of Accounts on 31st July 2020.

### **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 **Climate Change and Air Quality**  
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 2019/20 incorporating the Annual Governance Statement (Appendix A), with the Chair certifying the Statement of Responsibilities on page 20 upon completion of the audit.
- (ii) The Letter of Representation (Appendix B), with the Chair signing it on behalf of the Committee upon completion of the audit.

#### **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

The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020:

<http://www.legislation.gov.uk/uksi/2020/404/contents/made>

#### **8 Service Director responsible**

Eamonn Croston      01484 221000