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| **REPORT TO** | **ON** | |
| **Governance Committee** | **24 August 2020** | |
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| **TITLE** | | **REPORT OF** | |
| **Statement of Accounts for the Financial Year 2019/20** | | **Deputy Chief Finance Officer/Section 151 Officer** | |

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| Is this report confidential? | **No** |

**PURPOSE OF THE REPORT**

1. To present members with the Draft Statement of Accounts for 2019/20 and to advise Members in respect of the statutory requirements for signature, audit, inspection and publication of the Statement and Members’ role in the process leading up to the formal submission of the SOA for approval by the 30th November 2020 following completion of the external audit.

**RECOMMENDATIONS**

1. Members are asked to note the report.

**CORPORATE OUTCOMES**

1. The report relates to the following corporate priorities:

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| Excellence, Investment and Financial Sustainability | ✓ |
| Health, Wellbeing and Safety |  |
| Place, Homes and Environment |  |

Projects relating to People in the Corporate Plan:

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| Our People and Communities |  |

**BACKGROUND TO THE REPORT**

1. The Accounts and Audit Regulations came into force on the 1st April 2015 and set the statutory timetable for production, approval and audit of the Statement of Accounts. For the 2019-20 Statement, the Regulations have been updated by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020.
2. The responsible financial officer must sign and date the Statement of Accounts and certify that it presents a true and fair view of the financial position of the Authority at the year end, and the income and expenditure for the year.
3. The responsible financial officer must then commence the period for the exercise of rights and notify the local auditor of the date on which that period was so commenced. The usual date by which this must be done by 31st May, but for 2019/20 this has been amended to 31st August. There is no requirement for Members to approve the Statement of Accounts at this stage in the process.
4. The responsible financial officer must, on behalf of the authority, publish (which must include publication on the authority’s website) the statement of accounts along with the Annual Governance Statement and a Narrative Report and a declaration, signed by that officer, to the effect that the status of the statement of accounts is unaudited and that the statement of accounts as published may be subject to change.
5. The regulation also states that the period for the exercise of public rights is treated as being commenced on the day following the day on which all of these obligations have been fulfilled. The responsible finance officer must also ensure that commencement of the period for the exercise of public rights takes place on such a day that includes the first 10 working days of September (usually June) and continues for a single period of 30 working days.

**PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)**

1. The draft Statement of Accounts for the Financial Year 2019/20 are attached at Appendix A. The draft accounts are substantially complete but some of the detail is being finalised and therefore may be subject to minor changes. Also, a small number of disclosures are incomplete. These are highlighted either yellow or blue, with the latter indicating that information is still to be received from a third party. The Narrative Report is not yet included and will be provided as a separate document. The draft Annual Governance Statement has already been approved by this Committee at its meeting of 16th June 2020 and so does not appear again here. It will be incorporated into the document with the Statement of Accounts when it is published at the end of August.
2. The Statement of Accounts will be available for public inspection from Tuesday 2nd September 2020 for a period of 30 working days. This will be advertised on the Council’s website from 1st September and Members of the Committee will be able to access the statutory accounts at that point.
3. The audit of the accounts will then commence by the council’s external auditors, Grant Thornton. The circumstances resulting from the Covid 19 pandemic have meant that it has not been possible for the auditor to present the Committee with details of the audit approach before now, but contact has continued at officer level and preliminary work on the audit has already commenced. In the same way that, for 2019/20, the required date for the publication of the Draft Statement has been amended from 31st May to 31st August, that for completion of the audit and final approval and publication of the Statement has been amended from 31st July to 30th November. The timing of the main audit work remains subject to agreement with the auditors.
4. Once the audit has been completed, the Regulations specify that the responsible financial officer must reconfirm on behalf of the authority that they are satisfied that the statement of accounts presents a true and fair view of the financial position of the authority at the year end, and the income and expenditure for the year. The council is then required to:

* consider, either by way of a committee or by the members meeting as a whole, the statement of accounts;
* approve the statement of accounts by a resolution of that committee or meeting;
* ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval is given.

1. Once approved the council must, by no later than 30th November, publish:

* the statement of accounts together with any certificate or opinion, entered by the local auditor;
* the annual governance statement; and
* the narrative statement.

1. Publication of the final documents has to include the council’s website. Arrangements are in place to ensure all of the requirements can be met and that the governance committee will be able to fulfil its duty in terms of scrutiny of the accounts.

**CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION**

1. No consultation was undertaken in preparing this report. The report purely relates to the statutory reporting requirements for the Statement of Accounts and the process in place to ensure the council is able to discharge its statutory duty.

**AIR QUALITY IMPLICATIONS**

1. The report has no air quality implications.

**COMMENTS OF THE STATUTORY FINANCE OFFICER**

1. There are no direct financial implications arising as a result of this report. The report relates entirely to the statutory accounting requirements for the Statement of Accounts. All financial implications relating to the final budget outturn position have been set out in the Budget Outturn Report 2019/20 which was considered by Cabinet on 8 August 2020.

**COMMENTS OF THE MONITORING OFFICER**

1. The legal implications are in respect of the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, and the requirement that the accounts must be compliant with the relevant accounting standards and codes of practice and must be prepared on a true and fair view basis. Failure to comply could result in a failure to meet the statutory duty.

**OTHER IMPLICATIONS:**

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| * **Risk** * **Equality & Diversity** | Risk implications apply in relation to the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, to prepare financial statements in accordance with the statutory timetable. The accounts must be compliant with the relevant standards and must be prepared on a true and fair view basis. Failure to comply could result in a failure to meet the statutory duty.  The report has no equality or diversity implictions. |

**BACKGROUND DOCUMENTS**

* Accounts and Audit (England) Regulations 2015
* Accounts and Audit (Coronavirus) (Amendment) Regulations 2020
* CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2019/20

**APPENDICES**

Appendix A : Unaudited Statement of Accounts 2019/20

James Thomson

Deputy Chief Finance Officer/Section 151 Officer

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| Report Author: | Telephone: | Date: |
| Tony Furber, Principal Financial Accountant | 01772 625625 | 18 August 2020 |