

REPORT TO	ON
Governance Committee	30 May 2019

External Audit Annual



TITLE	REPORT OF
Statement of Accounts for the Financial Year 2018/19	Deputy Chief Executive (Resources & Transformation)

Is this report confidential?	No
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1. PURPOSE OF THE REPORT

- 1.1 To advise Members about the statutory requirements for signature, audit, inspection and publication of the accounts and Members' role in the process leading up to the formal submission of the SOA for approval by the 31 July 2019 following completion of the external audit.
- 1.2 To provide Members with an update on the progress towards meeting the earlier statutory deadline for approval and publication of the SOA.

2. RECOMMENDATIONS

- 2.1 Members are asked to note the report.

3. CORPORATE PRIORITIES

The report relates to the following corporate priorities

Excellence and Financial Sustainability	✓
Health and Wellbeing	
Place	

Projects relating to People in the Corporate Plan:

People	
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4. BACKGROUND TO THE REPORT

- 4.1 The Accounts and Audit Regulations came into force on the 1 April 2015 and bring forward the statutory timetable for production, approval and audit of the Statement of Accounts.
- 4.2 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.
- 4.3 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. This must be done by 31 May 2019. There is no requirement for Members to approve the Statement of Accounts at this stage in the process.
- 4.4 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.
- 4.5 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 June and continues for a single period of 30 working days.

5. CURRENT POSITION

- 5.1 The draft Statement of Accounts for the Financial Year 2018/19 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.
- 5.2 The Statement of Accounts will be available for public inspection from Friday 1 June 2019 for a period of 30 working days. This will be advertised on the Council's website from 1 June and will mean that the council has met this new challenging deadline. Members of the Committee will be able to access the statutory accounts at that point.
- 5.3 The audit of the accounts will then commence by the council's external auditors, Grant Thornton. Details of the audit approach have been presented to an earlier meeting of the Governance Committee. Preliminary work on the audit has already commenced.
- 5.4 Once the audit has been completed, the Accounts and Audit Regulations 2015 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.

5.5 Once approved the council must, by no later than 31 July, publish:

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

5.6 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.

6. CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

6.1 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.

7. FINANCIAL IMPLICATIONS

7.1 There are no direct financial implications arising as a result of this report. The report purely relates to the statutory accounting requirements for the Statement of Accounts. All financial implications relating to the final budget outturn position will be set out in the Budget Outturn Report 2018/19 which is to be considered by Cabinet on 19 June 2019.

8. LEGAL IMPLICATIONS

8.1 The legal implications are in respect of the Accounts and Audit Regulations 2015 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.

9. COMMENTS OF THE STATUTORY FINANCE OFFICER

9.1 There are no financial implications arising directly as a result of this report. The council works within a statutory framework and has worked hard to ensure that processes are as streamlined as possible in order to achieve this challenging deadline.

10. COMMENTS OF THE MONITORING OFFICER

10.1 Please see legal implications section. Essentially this report is designed to comply with the requirements of the Accounts and Audit Regulations 2015.

11. OTHER IMPLICATIONS:

<ul style="list-style-type: none">▶ HR & Organisational Development▶ ICT / Technology▶ Property & Asset Management▶ Risk▶ Equality & Diversity	Risk implications apply in relation to the Accounts and Audit Regulations 2015 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.
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12. BACKGROUND DOCUMENTS

- Accounts and Audit (England) Regulations 2015
- CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2018/19

13. APPENDICES

Appendix A: Unaudited Statement of Accounts 2018/19

SMT Member's Name: Tim Povall

Job Title: Deputy Chief Executive (Resources & Transformation)

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