

Report of	Meeting	Date
Chief Executive/Deputy Section 151 Officer	Governance Committee	20 January 2021

DRAFT STATEMENT OF ACCOUNTS 2019/20

PURPOSE OF REPORT

1. To present the draft Statement of Accounts (SoA) for 2019/20
2. To advise about the process leading up to the formal submission of the SoA for approval by Members following the completion of the external audit.
3. To advise Members about the statutory requirements arising from the Accounts and Audit Regulations 2015.

RECOMMENDATION(S)

4. That the report be noted.

EXECUTIVE SUMMARY OF REPORT

5. This report advises about the statutory requirements for signature, audit, inspection and publication of the accounts. The statement is currently an unsigned draft, which may be subject to change before being signed and then made available to the external auditor.
6. The draft Statement is required to be accompanied by a Narrative Report. This is currently being finalised and will be added to the draft prior to its approval.
7. The Accounts and Audit Regulations 2015 specify that the unaudited accounts are to be uploaded onto the council's website by 31st May following the end of the financial year and that the audited accounts are to be published on the council's website by 31st July following the end of the financial year. For the 2019/20 accounts, these dates were amended, by The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, to 31st August and 30th November respectively. Where these dates are not met, publication must take place as soon as practicable thereafter.
8. The valuation of the Council's assets is an integral part of the figures presented in the SoA. The valuer's report for 2019/20 was not received until late November 2020. These figures have now been incorporated into Statement ready for its presentation to the Committee.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

9. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

10. The Accounts and Audit Regulations 2015 set the statutory timetable for production, approval and audit of the Statement of Accounts. For the 2019-20 Statement, the Regulations have been amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020.
11. The responsible financial officer must sign and date the draft 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.
12. The responsible financial officer must then commence the period for the exercise of public rights of inspection 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. If this date is not achieved, then publication is to take place as soon as practicable thereafter. There is no requirement for Members to formally approve the Statement of Accounts at this stage in the process.
13. 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.
14. 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 regulations require that 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. Again, where this date was passed, the required period must commence as soon as is practicable.
15. The valuation of the Council's fixed assets is an integral part of the production of the Statement of Accounts. Although its results do not impact on the actual monetary surplus or deficit for the year, or the level of available reserves, they drive a number of figures which are of material significance to the presentation of the Statement. The valuer's report for 2019/20 was not received until late November 2020, resulting in the production of the Statement being delayed beyond the specified deadlines.
16. This Statement appended to this report sets out the Council's year-end financial position as required by accounting standards and by statute. It does not make detailed comparisons between actual revenue and capital expenditure compared to budgeted expenditure for 2019/20. Budget monitoring reports have been presented to Executive Cabinet throughout the year, and the provisional outturn report for 2019/20 was submitted to the meeting of 20 June 2020.

DRAFT STATEMENT OF ACCOUNTS, AUDIT AND FINAL APPROVAL

17. The draft Statement of Accounts for the Financial Year 2019/20 is attached at Appendix A. The draft accounts are substantially complete but may be subject to minor changes. The Narrative Report is not yet included and will be provided as a separate document. The draft Annual Governance Statement is included, but this has already been approved by this Committee at its meeting of 1 July 2020.
18. The draft Statement of Accounts will be available for public inspection for a period of 30 working days, which will commence immediately following its approval by the responsible financial officer. This will be advertised on the Council's website from that same date and Members of the Committee will be able to access the statutory accounts at that point.
19. The audit of the accounts by the council's external auditors, Grant Thornton, will then formally commence. The circumstances resulting from the late receipt of the valuation report and also those arising from the Covid 19 pandemic have meant that it has not yet been possible to determine a clear date for the completion of the audit. The timing of the main audit work remains subject to agreement with the auditors, but the mutual objective is that the audit will be complete before the end of March 2021.
20. 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 SoA 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.
21. Once approved the council must, by no later than 30th November, or as soon as practicable thereafter, publish:
 - the Statement of Accounts, together with any certificate or opinion entered by the local auditor;
 - the Annual Governance Statement; and
 - the Narrative Report.

Publication of the final documents has to include the council's website.

IMPLICATIONS OF REPORT

22. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

23. The draft Statement of Accounts 2019/20 has been prepared in compliance with the relevant accounting standards and codes of practice.

COMMENTS OF THE MONITORING OFFICER

24. The Monitoring Officer has no comments.

GARY HALL
CHIEF EXECUTIVE AND DEPUTY S151 OFFICER

Background Papers		
Document	Date	File
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		
Provisional Revenue and Capital Outturn	Executive Cabinet, 30 July 2020	

Report Author	Ext	Date
Tony Furber	5027	17 January 2021