

**AUDIT AND ACCOUNTS COMMITTEE**  
**30 SEPTEMBER 2020**

**AUDITED DRAFT STATEMENT OF ACCOUNTS**

**1.0 Purpose of Report**

- 1.1 For members of the committee to review the Council's audited draft Statutory Accounts for the financial year ended 31 March 2020.

**2.0 Introduction**

- 2.1 The Accounts and Audit Regulations 2015 require that the authority must prepare and publish its approved draft and audited Statement of Accounts by 31 May and 31 July respectively. However due to disruption caused by the COVID 19 virus, legislation was passed to delay the statutory publication date until 31 August 2020 and the audit opinion until the 30 November 2020.
- 2.2 The Council published the draft Statement of Accounts on the website during June 2020. These were approved for issue by the Responsible Financial Officer (RFO) for the Council, the Director of Resources – S151 Officer.
- 2.3 The contents of the accounts are largely determined by statutory requirements and mandatory professional standards as set out within the 'Code of Practice on Local Authority Accounting' and 'Standard of Professional Practice on Financial Reporting' published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The CIPFA Code of Practice is based on International Financial Reporting Standards (IFRS).

**3.0 Audit of the Accounts**

- 3.1 The Council's external auditors, Mazars, commenced the audit of the accounts in June 2020 as per the original agreed timetable prior to the COVID 19 pandemic. As the Council relies on other external factors to influence balances and transactions within the Accounts, the statements presented are the draft set of accounts, which have substantially been audited. As Members will see during the Audit Completion Report (agenda item 9) there are several items that the external auditors are seeking external clarification on, and hence the statements presented in this report can only be draft.
- 3.2 There is a requirement that the external auditor, Mazars, provides details of all of the errors in the financial statements that need amendment within the Report. Their full Audit Completion Report can be found under agenda item 'External Auditors Audit Completion Report' and Appendix A, section 4 of the appendix fully details the summary of misstatements. Currently their opinion of the accounts is for an unqualified opinion. As per the amended regulations the final audit opinion will be presented to this committee in November in line with the audit plan timetable. This will also include a Value for Money opinion.

#### **4.0 Changes made to the Statements**

- 4.1 The audit identified only one significant misstatement. This was due to an allowance for the 2020/21 financial years' provision against revaluation of the business rates debt being held as at 31<sup>st</sup> March 2020. As the debt is not held on the balance sheet at that date, the provision should not be held also.

All relevant notes were adjusted for the above misstatement.

#### **Annual Governance Statement**

- 5.0 The Audit and Account Regulations 2015 require the Council to carry out an annual review of the effectiveness of its system of internal control. Having considered the findings of the review members are then required to approve an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control. The Annual Governance Statement has been reviewed and updated for 2019/2020 and is included in the Statement of Accounts. It is reproduced at Appendix A for ease of reference.

#### **6.0 RECOMMENDATIONS that:**

**(a) Members note the Annual Governance Statement for the financial year ended 31 March 2020; and**

**(b) Members note the draft audited Statement of Accounts for the financial year ended 31 March 2020;**

#### **Background Papers**

Nil.

For further information contact Nick Wilson on extension 5317 or Andrew Snape, Assistant Business Manager Financial Services on extension 5523.