

REPORT REFERENCE NO.	APRC/19/10
MEETING	AUDIT & PERFORMANCE REVIEW COMMITTEE
DATE OF MEETING	19 JULY 2019
SUBJECT OF REPORT	STATEMENT OF ACCOUNTS 2018-19
LEAD OFFICER	Director of Finance and Resourcing (Treasurer)
RECOMMENDATIONS	<i>That the final accounts for 2018-19 be approved for publication</i>
EXECUTIVE SUMMARY	<p>This report provides the committee with an audited version of the Statement of Accounts for 2018-19 with an opportunity to review the content prior to publication per the Accounts and Audit Regulations 2015.</p> <p>It should be noted that, at date of publication, there remains an outstanding issue arising from the audit process regarding the valuation of future pension liabilities as at 31st March 2019. Therefore a revised, final version of the Statement of Accounts will be provided at the meeting.</p> <p>Background to the “McCloud Judgement”: In 2015 the Government introduced reforms to public sector pensions, meaning most public sector workers were moved into new pension schemes in 2015.</p> <p>In December 2018, the Court of Appeal ruled that the ‘transitional protection’ offered to some members of the judges and fire fighters’ schemes as part of the reforms amounted to unlawful discrimination. The Government sought permission to appeal from the Supreme Court, however this was not granted.</p> <p>The Government is considering the impact of the Court of Appeal decision including any impact on other public service schemes. The impact for this Authority is that, under International Accounting Standards, an additional pension liability has been recognised as an estimate of the impact. Given the late decision of the Court of Appeal, officers were required to commission a revised “IAS19” report from our actuaries to assess the impact.</p> <p>The final version of the Statement of Accounts will include the revised figures and will address an outstanding issue in the Audit Findings Report, elsewhere on this agenda.</p>
RESOURCE IMPLICATIONS	As indicated in the report.
EQUALITY IMPACT ASSESSMENT	An initial assessment has not identified any equality issues emanating from this report.
APPENDICES	A – Statement of Accounts 2018-19
LIST OF BACKGROUND PAPERS	None.

1. INTRODUCTION AND BACKGROUND

- 1.1 The Accounts and Audit Regulations 2015 (“The Regulations”), which apply to the Authority, introduced a new timetable for preparation, audit and publication of both the draft and final Financial Statements. The Financial Statements comprise the Statement of Accounts, including the Narrative Statement, and the Annual Statement of Assurance. Whilst the Regulations came in to force in 2015 the revisions to the timescales for publication applied from the 2017-18 financial year onwards and therefore to the Accounts for the year ending 31 March 2019.
- 1.2 The Regulations require the final financial statements to be signed off by the Authority and this is delegated to the Audit & Performance Review Committee. The 2015 Regulations also introduced a requirement that the draft Financial Statements be available for inspection on the Authority website and this practice commenced for the 2015-16 financial year. The 2018-19 draft statements were made available on the 30th May 2019.
- 1.3 The revised deadlines mean that the important work of preparing the draft Financial Statements must be completed a month earlier, by end of May each financial year, placing an increased burden on budget holders and the Service Finance Team to become more efficient and effective whilst maintaining a high level of accuracy. I would like to take the opportunity to thank all those involved in preparing the Financial Statements for their hard work and commitment to continuously improving processes whilst meeting the shortened timetable for publication and audit of the accounts.
- 1.4 Elsewhere on the agenda is the report of the External Auditors, Grant Thornton LLP which provides their audit opinion on the Financial Statements for the year ended 31 March 2019, to be considered alongside the Statements themselves.

AMY WEBB

Director of Finance (Treasurer)