

<b>REPORT REFERENCE NO.</b>	<b>APRC/20/8</b>
<b>MEETING</b>	<b>AUDIT &amp; PERFORMANCE REVIEW COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>7 SEPTEMBER 2020</b>
<b>SUBJECT OF REPORT</b>	<b>STATEMENT OF ACCOUNTS 2019-20</b>
<b>LEAD OFFICER</b>	<b>Treasurer</b>
<b>RECOMMENDATIONS</b>	<b><i>That the final accounts for 2019-20 be approved for publication</i></b>
<b>EXECUTIVE SUMMARY</b>	<p>This report provides the Committee with an audited version of the Statement of Accounts for 2019-20 with an opportunity to review the content prior to publication per the Accounts and Audit Regulations 2015.</p> <p>It should be noted that there has been a delay in the publication of the accounts due to the extension to the timescale requested by the external auditors at the Audit &amp; Performance Review Committee meeting on 4 March 2020. The extension was agreed as 30 September 2020 (Minute *APRC/15 refers). This accorded with the provisions in Section 2 of the Accounts and Audit Regulations 2015.</p> <p>Subsequently to these decisions, it was announced on 22 April 2020 that the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 would extend deadlines for preparation of accounts. The publication date for final, audited accounts moved from 31 July for Category 1 authorities and 30 September for Category 2 authorities to 30 November 2020 for all local authority bodies.</p> <p>Despite the complications arising from the Covid-19 pandemic, this Authority was able to provide its draft financial statements to the auditors on 30 July 2020.</p> <p>The audited accounts are attached to this report at Appendix A. The Audit Findings Report associated with the Statement of Accounts for 2019-20 is also available elsewhere on this agenda.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated in the report.
<b>EQUALITY IMPACT ASSESSMENT</b>	An initial assessment has not identified any equality issues emanating from this report.
<b>APPENDICES</b>	A – Statement of Accounts 2019-20
<b>LIST OF BACKGROUND PAPERS</b>	Audit & Performance Review Committee Minutes – 4 March 2020. External Audit Scope document – 4 March 2020

## **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 2020.
- 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.
- 1.3 On 4 March 2020, the external auditors, Grant Thornton, advised in its report to the Committee that, as a result of increased pressure from the Public Sector Accounts (PSA) to ensure the production of quality accounts, an extension to the timescale for the delivery of the audited accounts would be required for this Authority. This was no reflection on the Authority’s ability to produce a set of accounts by 30 July 2020 as would normally be required. The Committee acceded to this request and an extension was agreed to 30 September 2020 (Minute \*APRC/15 refers). This accorded with the provisions in Section 2 of the Accounts and Audit Regulations 2015 as set out below for reference:
- (2). Where an audit of accounts has not been concluded before the date specified in paragraph (1) an authority must—
- (a) publish (which must include publication on the authority’s website) as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the statement of accounts and its reasons for this; and
- (b) comply with paragraph (1) as if for “but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates” there were substituted “as soon as reasonably practicable after the receipt of any report from the auditor which contains the auditor’s final findings from the audit which is issued before the conclusion of the audit”.
- 1.4 Subsequently to these decisions, it was announced on 22 April 2020 that the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 would extend deadlines for preparation of accounts as follows:
- The publication date for final, audited, accounts will move from 31 July for Category 1 authorities and 30 September for Category 2 authorities to 30 November 2020 for all local authority bodies:
  - To give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June (for Category 1 authorities) and July (for Category 2 authorities) has been removed. Instead local authorities must commence the public inspection period on or before the first working day of September 2020.

- 1.5 Despite the complications that arose as a result of the subsequent Covid-19 pandemic, the 2019-20 draft financial statements were made available to the auditors on 30 July 2020. The revised deadlines meant that the important work of preparing the draft Financial Statements had to be completed in difficult circumstances, placing an increased burden on budget holders and the Service's 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 this timescale for publication and audit of the accounts in very different and difficult circumstances.
- 1.6 I would also like to place on record appreciation for the flexibility, professionalism and clear communication shown by our External Auditors in delivering a virtual audit to revised timescales.
- 1.7 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 2020 to be considered alongside the Statements themselves.

**AMY WEBB**

**Treasurer**