

Report to Audit Committee

Agenda
Item:

A.9

Meeting Date: 30 July 2020
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and
Budget Framework YES
Public / Private Public

Title: DRAFT STATEMENT OF ACCOUNTS 2019/20
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD18/20

Purpose / Summary:

Due to the COVID-19 pandemic, an amendment was made to the Accounts and Audit Regulations 2015 concerning the extension of the statutory deadlines for publication and audit of the Statement of Accounts.

The new requirements are for the Statement of Accounts 2019/20 (subject to Audit) to have been certified by the S.151 Officer in accordance with Statutory requirements by 31 August 2020. They will then be subject to audit, which must be concluded by the revised statutory deadline of 30 November 2020.

This report provides an update on the progress of the preparation of the Statement of Accounts for 2019/20 with the draft accounts attached at Appendix A (to follow).

Recommendations:

The Committee is asked to note:

- (i) The reporting and publication requirements for the 2019/20 Statement of Accounts which have been amended to reflect the COVID-19 pandemic;
- (ii) The progress being made to ensure the accounts are prepared in accordance with the necessary requirements with draft accounts attached (to follow); and
- (iii) the Annual Governance Statement be considered and approved separately from the Statement of Accounts as specified in the Accounts and Audit Regulations 2015.

Tracking

Audit Committee:	30 July 2020
Overview and Scrutiny:	Not applicable
Council:	Not applicable

1. PROGRESS REPORT

- 1.1 The Accounts and Audit Regulations 2015 require that the City Council's Statement of Accounts be certified by the Council's Section 151 Officer by 31 May. However, due to the COVID-19 pandemic the deadlines have been revised so that the statutory deadline for publication of draft accounts is moved to 31 August. The revised date for final publication of audited accounts is 30 November 2020.
- 1.2 The Statements will reflect the summarised financial out-turn information which was recently considered by the Executive and Business and Transformation Scrutiny Panel. To a large extent the format of the Statement of Accounts is prescribed and is therefore presented in a different format from the internal out-turn reports.
- 1.3 As with the reporting deadlines for the accounts being delayed, so have a number of other returns that impact on the content of the accounts. Therefore, in order to ensure a complete and accurate set of accounts work is continuing to progress in verifying and updating all necessary areas; however, a draft set of accounts is attached at **Appendix A** (to follow).
- 1.4 With the COVID-19 pandemic, there is also the requirement to consider its impact in the 2019/20 Statement of Accounts and although the restrictions began at the very end of March, there will be a significant impact on the Council's financial and non-financial standing throughout 2020/21 and consideration of this impact is a requirement to be reflected in the accounts. Therefore, additional analysis and notes are required to be included in the 2019/20 accounts.
- 1.5 Much of the work to prepare the accounts has also been impacted on the way Officers are now working, e.g. the finance team are all home working. This has also been impacted by the requirement to introduce new ways of working and to support the delivery of financial assistance to businesses and individuals.
- 1.6 The Statements presented are subject to the formal audit process, which will commence once the draft accounts have been certified and published. The auditors will identify any material changes required to the Statements and they will also produce an International Standard on Auditing (ISA)+260 Statement (Audit Findings Report) which details any unadjusted misstatements found during the course of the audit. Both of these need to be considered by 'those charged with governance', which in respect of the Statements, is the Audit Committee.

2. RISKS

Risks to future years' budget and development of ongoing impact of issues identified in the Statement of Accounts will be considered as part of Medium-Term Financial Planning Process.

3. CONSULTATION

- 3.1 The draft Statement of Accounts will be available to view by any interested party from the date of publication under the regulations laid down in the Accounts and Audit Regulations 2015, Section 15(2)(b).

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

The Committee is asked to note:

- (i) The reporting and publication requirements for the 2019/20 Statement of Accounts have been amended to reflect the COVID-19 pandemic;
- (ii) The progress being made to ensure the accounts are prepared in accordance with the necessary requirements with draft accounts attached (to follow); and
- (iii) the Annual Governance Statement be considered and approved separately from the Statement of Accounts as specified in the Accounts and Audit Regulations 2015.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 5.1 The Statement of Accounts provide the financial performance of the Council for the year 2019/20 in delivering its priorities.

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**Appendices Appendix A Draft Statement of Accounts (to follow)
attached to report:**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Legal – It is the responsibility of the Audit Committee to approve the annual Statement of Accounts, income and expenditure and balance sheet. Specifically, to consider whether

appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

Property - none

Finance – Contained within the report

Equality – None

Information Governance – There are no information governance implications for this report