

Audit Committee

28 May 2020



Report of: Director of Finance

Title: Statement of Accounts Year Ended 31 March 2019

Ward: City Wide

Officer Presenting Report: Denise Murray

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Recommendation

- 1. That Audit Committee notes the amendment to the Annual Governance Statement for 2018/19 (pages 34 – 65 of the Statement of Accounts).**
- 2. Audit Committee approves the Statement of Accounts for the year ended 31 March 2019.**

Summary

This report should be considered alongside the final ISA260 report being presented by the Council's external auditor.

The Statement of Accounts sets out the Council's financial position as at the 31 March 2019 along with a summary of its income and expenditure for the year to 31 March 2019. The financial statements are the main method of demonstrating financial accountability and stewardship.

The audit identified the requirement for two further disclosure notes to the accounts. These relate to Post Balance Sheet Events concerning COVID-19 and Group financial position. Both have been agreed and incorporated into the revised Statement of Accounts attached at Appendix A. The Annual Governance Statement also contains an additional note on page 55 relating to the Group financial position.



Policy

None affected by this report.

Consultation

- 1. Internal**
Executive Members and senior management

- 2. External**
The draft accounts were available for public inspection.

Background and Context

1. Audit Committee last considered the draft accounts at its meeting of the 20 January 2020 but at that time the external auditors were not in a position to issue the final ISA260 report.

2. The Council's Statement of Accounts has been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the Code) which is based on International Reporting Standards (IFRS). This is necessary to ensure that accounts of all Government funded bodies provide comparable and consistent information.

3. Consequently the accounts are a complex and technical document. The Narrative Report at pages 7 to 21 of the Statement aims to provide a general guide to the items of interest and highlight some of the more significant matters that have determined the position for the financial year ending 31 March 2019.

4. The External Auditors, Grant Thornton, propose to issue an unqualified audit opinion on the Council's financial statements and have confirmed that they are free from material error. Prior to approving the accounts the Auditor requires that the Audit Committee considers the matters raised in the Annual Governance Statement for 2018/19. The Committee considered and agreed the Annual Governance Statement for 2018/19 in July 2019. Since that time an addition has been required to the Statement to reflect the post balance sheet event detailed below. The addition to the statement is on P 65 in section 6 at the end of the Annual Governance Statement – the final paragraph just above the signatures.

5. The Audit has identified a disclosure requirement for two post balance sheet event notes since the draft accounts were last presented to Audit Committee.

These have been agreed with the Auditor and these have been incorporated into the revised Statement of Accounts attached at Appendix 1.

6. Post balance sheet events occur after the balance sheet date of 31 March. As such there is no requirement to amend the financial statements. However we have added additional narrative to the accounts.
7. The first relates to the potential impact of the COVID-19 virus on the Council's financial position. The second is around the Group financial position.
8. Attached at Appendix 2 is the Letter of Representation. This is provided by the Council in connection with the audit of the financial statements for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and applicable law.

Other Options Considered

Not applicable

Risk Assessment

The Statutory Accounts need to be formally published as soon as practicable. This report, together with the Annual Governance Statement, forms part of the assurance process.

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

None arising from this report

Financial

None arising from this report.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1 Statement of Accounts 2018/19

Appendix 2 Letter of Representation

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Final Accounts working papers held in Corporate Finance