

STATEMENT OF ACCOUNTS 2018/19

SUMMARY:

The purpose of this report is to inform Members' of audit progress for the Council's Statement of Accounts for 2018/19, the process for approving and publishing the statement of accounts and to draw to the Committee's attention the fact that the deadline for issuing a final set of audit statements of accounts and audit opinion will not be met by 31st July 2019.

RECOMMENDATIONS:

It is recommended that the Committee:

- i) Note the Auditor's Update Report;
- ii) Note the financial statements for 2018/19;
- iii) Note the process for approval and publication of the statement of accounts

1 INTRODUCTION

- 1.1 The Council published a draft statement of account 2018/19 on 31st May 2019. The Council is required under regulation to obtain an independent external audit opinion on the true and fair nature of the statement of accounts. Following provision of the external audit opinion the relevant Council Committee (being Licencing, Audit and General Purposes Committee) is required to approve the accounts and publish both the approved set of account and the audit opinion by 31st July 2019.
- 1.2 The Council's external auditor audit opinion will not be available by the 31st July. The delay in issuing the opinion is due to an ongoing property valuation query related to the depot. A final valuation of the depot was received on 9th July 2019. The valuation is materially lower than the cost of constructing the depot. The valuation methodology has been internally challenged and discussed with the Council's external auditor on 10th July. Due to the materiality difference between the cost and valuation the Council has commissioned a second independent valuation and EY will undertake separate assurance work that cannot be completed before 31st July due to lead in time of EY's specialist valuation team.

2 MATERIAL ACCOUNTING AND AUDIT REGULATION

- 2.1 The Accounts and Audit (England) Regulations 2015 require an external auditor to provide an opinion on the true and fair nature of the statement of accounts. Upon receipt of the audit opinion paragraph 10 of the regulation requires a committee of the Council to consider and approve the Statement and ensure that it is signed by the chairman of the approving committee. Following approval, the Statement must be published by the 31st July 2019.
- 2.2 Paragraph 10 (2) of the Accounts and Audit Regulation 2015 outlines the process for publication and approval when an audit has not been concluded by 31st July 2019.
- 2.3 The Council is required to publish as soon as practically possible the reason for not publishing an audited set of accounts by the 31st July 2019 deadline.
- 2.4 As soon as practicable after receipt of the auditor's opinion the Licencing, Audit and General Purposes Committee must approve the statement of accounts for 2018/19 that contain the following:
- Statement of accounts together with certified audit opinion
 - Annual Governance Statement
 - Narrative Statement
- 2.5 Following Committee approval, the final statement of accounts along with the audit opinion must be published.

3 STATEMENT OF ACCOUNTS 2018/19

- 3.1 The Statement of Accounts for 2018/19 has been prepared in line with CIPFA's 'Code of Practice on Local Authority Accounting' for 2018/19, under International Financial Reporting Standards (IFRS) and in accordance with the
- 3.2 The Statement of Accounts consists of the following sections and is attached at Appendix A (to follow).
- Narrative Statement
 - Statement of Responsibilities
 - Core Financial Statements – Movement in Reserves, Comprehensive Income and Expenditure, Balance Sheet and Cash Flow.
 - Notes to the Core Financial Statements – including accounting policies
 - Collection Fund and accompanying notes
- 3.3 A summary of the adjustments between draft statement of accounts and statement of accounts disclosed in Appendix A is given below:

- Property Plant and Equipment decreased by £6m
- Investment Property by £5.6m

4 AUDIT UPDATE REPORT 2018/19

- 4.1 The auditors have substantially completed their audit for the 2018/19 financial year and their status update is attached at Appendix B.

5 Conclusion

- 5.1 The council and external auditors will work together to achieve an audit opinion by the next scheduled Licensing, Audit and General Purposes Committee on 23rd September 2019. The Council will publish the unaudited statement of accounts 2018/19 as presented in Appendix A on its website by 31st July 2019 and outline the reason for delay in the audit process.

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