

STATEMENT OF ACCOUNTS 2018/19 - UPDATE

SUMMARY:

The purpose of this report is to inform Members' of audit progress for the Council's Statement of Accounts for 2018/19 since the meeting on 29 July 2019, and to set out the draft timetable for the completion of the audit and provision of the audit opinion. The Committee is reminded that the deadline for issuing a final set of audit statements of accounts and audit opinion of 31 July 2019 was not met.

RECOMMENDATIONS:

It is recommended that the Committee:

- i) 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 31 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 31 July 2019.
- 1.2 As reported to the committee at the meeting on 29 July 2019, the Council's external auditor opinion was not going to be received until after the statutory deadline of 31 July 2019. The delay in the opinion being issued is largely due to material changes in the valuation of the depot and the impact of the McCloud judgement on the Council's pension fund liability.
- 1.3 This report provides members with an update on progress made since July and sets out the timetable that has been agreed with the Council's external auditor for the audit opinion to be provided.

2 PROGRESS SINCE JULY AND TIMETABLE FOR THE AUDIT OPINION

- 2.1 Following discussions both internally within the finance team and with the external auditors, a second independent valuation of the Depot was commissioned to provide additional assurance on the valuation of the asset. The valuation was formally received by the Council on 4 September 2019. Whilst the second valuation from Carter Jonas did show an increase over the original valuation, it is not considered materially different. Therefore, the second valuation confirms the decrease of £6m in the net book value of Property, Plant and Equipment reported in paragraph 3.3 of the 29 July 2019 report. The Council have prepared a revised set of accounts on this basis.
- 2.2 EY have provided the timetable below, which outlines the expected date for the completion of the audit and the audit opinion:
- w/c 23/09/19 to w/c 07/10/2019 – EY on-site at RBC to conclude outstanding audit work
 - 10/11 October 2019 – EY and RBC to discuss Audit Results Report (tbc)
 - 16 October 2019 – Licensing, Audit and General Purposes Committee receive the Audit Results Report from EY and the final Statement of Accounts for approval.
- 2.3 Therefore, it is proposed that an additional meeting of the committee is arranged for Wednesday 16 October 2019 to receive the external audit opinion and approve the Statement of Accounts.

3 CONCLUSION

- 3.1 The council and external auditors will work together to achieve an audit opinion by the proposed additional meeting of Licensing, Audit and General Purpose Committee on 16 October 2019.

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