



East
Northamptonshire
Council

Governance and Audit Committee – 14 April 2020

Statement of Accounts 2018/19

Purpose of report

This report covers the presentation of the Statement of Accounts for the year ended 31 March 2019, gives an update on the audit and presents amendments to the draft statement, for the Committee's approval.

Attachments

Appendix 1: Statement of Accounts 2018/19 (to follow)

Appendix 2: Summary of Amendments made to the Draft Statement of Accounts (to follow)

1. Overview

- 1.1. The annual Statement of Accounts is the summary financial representation of every transaction that the council has been directly or indirectly involved with, over the course of the 2018/19 financial year.
- 1.2. The publication of the Statement of Accounts is an essential feature of public accountability and stewardship, as it provides an annual report on how the council has used the public funds for which it is responsible. This is required by the Accounts and Audit Regulations 2015.
- 1.3. The importance of the statement of accounts to the authority is extremely high and although it is an historical document, the closing of the accounts is vital to the financial planning process as it confirms the availability of reserves and balances for future use.
- 1.4. This report seeks approval of the Statement of Accounts for the 2018/19 financial year.

2. Statement of Accounts 2018/19

- 2.1. The council produced its draft Statement of Accounts which were signed off by the Chief Finance Officer on 30 May 2019 in line with statutory timescales and presented to the Governance and Audit Committee on 24 July 2019.
- 2.2. At the same meeting of the Committee on 24 July 2019, in a separate agenda item, it was reported that the Council's External Auditors, EY, would not be able to complete the audit of the accounts in time to meet the statutory deadline of 31 July 2019. It was envisaged at that time that the final sign off of the accounts would take place in September 2019.
- 2.3. The accounts must now be approved and published. A copy of the up to date version of the accounts is provided at Appendix 1. A summary of the amendments that have been made to the draft Statement of Accounts – presented to the Committee on 24 July 2019 - is provided at Appendix 2. There may still be further amendments as the audit has not yet been completed. The outbreak of COVID-19 has had a severe impact on the finalisation of the audit work. A verbal update as to the latest position on the audit will be given at the committee meeting.

PLEASE NOTE – THE APPENDICES TO THIS REPORT WILL BE SENT OUT BY THURSDAY 9 APRIL SO THAT MEMBERS HAVE THE MOST UP TO DATE INFORMATION FOR THE MEETING

3. Equality and Diversity Implications

3.1. There are no equality and diversity implications arising from this report.

4. Legal Implications

4.1. As stated in paragraph 2.2 above, the delay in EY's external audit means that East Northamptonshire Council has not met its statutory duty of publishing a set of audited financial accounts for 2018/19 by 31 July 2019.

5. Risk Management

5.1. There are no significant risks to the council arising from this report.

5.2. However, there is a reputational risk in that failure to gain Member approval of the Statement of Accounts by 31 July following the year end represents a breach of the Accounts and Audit Regulations and could attract adverse criticism.

6. Resource and Financial Implications

6.1. The rescheduling of the audit has had implications for Encor and the Council's finance team. Other work commitments have been disrupted, not least of which the financial ramifications of the current COVID-19 crisis, due to work still having to be undertaken on the audit by officers.

7. Constitutional Implications

7.1. There are no constitutional implications arising from this report.

8. Implications for Our Customers

8.1. There are no implications for our customers arising directly from this report.

9. Corporate Outcomes

9.1. This report links to the following Corporate Outcomes:

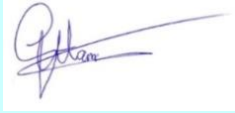
- Effective Management
Ensuring robust risk management arrangements are in place to manage and minimise risks the council is exposed to
- Good Value for Money
The Annual Governance report sets out an unqualified value for money opinion demonstrating the council's achievement in working towards this objective

10. Recommendation

10.1. The Committee is recommended to:

- Approve the Statement of Accounts for the year ended 31 March 2019.
- Delegate authority to the Chief Finance Officer, in consultation with the Chairman of the Governance and Audit Committee, to make any further amendments necessary to the Statement of Accounts 2018/19 prior to publication.

(Reason – to comply with the requirements of the Accounts and Audit Regulations)

Legal	Power: Accounts and Audit Regulations 2015				
Other considerations:					
Background Papers: Statement of Accounts and working papers					
Person Originating Report: Kelvin Turner, Interim Head of Resources ☎ 01832 742267 ✉ kturner@east-northamptonshire.gov.uk					
Date: 01/04/2020					
CFO 02/04/20		MO		CX	