

2019/20 ANNUAL STATEMENT OF ACCOUNTS AND AUDIT UPDATE

Committee name	Audit Committee
Officer reporting	James Lake, Finance
Papers with report	None
Ward	All

HEADLINES

This report provides details of the revised statutory deadlines as a result of COVID-19, relating to the publication of the 2019/20 Statement of Accounts and completion of the external audit.

An update is also included on the current status of the audit.

RECOMMENDATION:

That the Committee note this report.

Information

In accordance with Accounts and Audit Regulations 2015 and the CIPFA Code of Practice on Local Authority Accounting, the Council is normally required to publish its draft statement of accounts by 31 May and have the final audited accounts published by 30 July.

However, due to COVID-19, which resulted in reallocation of Council priorities and changes in working practices throughout the country, it was agreed nationally that it would be unfeasible for the existing deadlines to be met. A number of potential adjustments to the reporting deadlines and structure of the accounts were proposed and informally consulted upon.

Options included not producing accounts for 2019/20, abridged and summarised versions, or to continue with the current full accounts format. Varying deadlines were also suggested ranging from one month to four month extensions.

The Ministry of Housing, Communities and Local Government (MHCLG) confirmed the details of the changes made to the Accounts and Audit Regulations 2015 in a letter to authorities on 3 April 2020. The Accounts and Audit (Coronavirus) Amendments Regulations 2020 (SI 2020/404) extended the statutory audit deadline for 2019/20 for all local authorities

The amended regulations stated that:

- Draft accounts should be issued by 31 August;
- Public Inspection to commence on or before the first working day of September; and,
- Publication of audited accounts moved to 30 November.

Classification: Public

Audit Committee – 1 October 2020

Update

In accordance with the revised regulations and ahead of the new deadlines, the Council produced and published a draft set of accounts on the 7 August and the public inspection period commenced on the 10 August.

Although EY were in a position to commence the audit as per the original timeframe, it was agreed with the Council that EY resources would be realigned to accommodate the regulatory extension and incorporate staggered discreet work where possible.

Audit progress

Interim audit work began at the end of 2019 where systems and processes were documented and tested. Sample testing up to month 9 was carried out in key areas including payroll, income, expenditure, pensions and treasury. Furthermore letters of authority were put in place and access to systems arranged.

The main audit began at the start of June and focused primarily on the pension fund, where this area of the draft accounts was prepared broadly in line with the original statutory timescales. June also saw audit work being carried out on discreet areas in the Council's accounts. These items were identified as standalone pieces and included payroll, treasury, Collection Fund, non-current assets (including property) and IAS19 pensions disclosures.

Due to COVID-19, EY have been conducting the main audit remotely with most audit requests, responses and supporting documentation going through the secure EY portal. Virtual meetings and calls have been arranged where required to complement hard data uploads.

The latest information from EY indicates they are currently on course to complete the audit by the 29 October Audit Committee.

Financial Implications

None.

Legal Implications

Included within the body of this report.