

AUDIT AND STANDARDS COMMITTEE

23 July 2019

Title: Approval of the Statement of Accounts 2018/19	
Report of the Chief Operating Officer	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Thomas Mulloy, Chief Accountant	Contact Details: E-mail: Thomas.Mulloy@lbbd.gov.uk
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer & S151 Officer	
Summary: The Council's draft accounts were approved by the Chief Operating Officer on 30 May 2019 and are being subjected to detailed audit by our new external auditors, BDO. In accordance with the Accounts and Audit Regulations 2015, the accounts are now being presented to this Committee for their consideration and approval prior to publication.	

Recommendation The Audit and Standards Committee is recommended to: <ol style="list-style-type: none">i. Review and approve the draft Statement of Accounts for the year ended 31 March 2019, as set out in the Appendix to the report;ii. In order to comply with the Council's statutory obligations, confirm that the Statement of Accounts 2018/19 be published and authorise the Chief Operating Officer, in consultation with the Chair, to make any changes to the draft accounts that may be agreed with the Council's external auditor.
Reason(s) It is a statutory obligation for the Council's Statement of Accounts to be produced and audited in accordance with the timetable as set out in the Audit and Accounts Regulations 2015, and that the Statement of Accounts must be approved by a Committee of the Council.

1. Introduction and Background

- 1.1 The publication of the Statement of Accounts is governed by the requirements of the Accounts and Audit Regulations 2015. These require the Statement of Accounts to be certified by the Council's Section 151 officer (Chief Operating Officer) as presenting a true and fair view of the financial position of the Council by the 31st May of each year. The accounts must then be submitted for external audit to publish audited accounts by no later than the 31st July of the same year.

2. Audit of Accounts

- 2.1 Following certification by the Chief Operating Officer by the 31st May 2019 the draft accounts have been subject to detailed and rigorous review by the Council's external auditors, BDO. The audit is still being completed. A verbal update will be given at this meeting.
- 2.2 In compliance with the Accounts and Audit regulations, the Accounts were made available for public inspection for 20 days during the audit. This period concluded on 12th July 2019, from when, until the conclusion of the audit, electors or their representatives were able to question or raise objections with the external auditor.
- 2.3 During the audit of the main statements, there have been amendments made to the Group Accounts. It is the first year the Council has produced a set of Group Accounts consolidating a number of subsidiaries.
- 2.4 There are a number of adjustments made to the notes to the accounts. They will ensure that the Council complies with technical accounting regulations, specifically the CIPFA's Code of Practice on Local Authority Accounting. Given the audit is still on-going, the Committee is recommended to delegate responsibility for finalising the accounts to the Chief Operating Officer in liaison with the Chair.
- 2.5 BDO will provide the Committee with their findings in a separate report setting out the key issues identified during the course of the audit. Management's responses to any recommendations that the report may be given at the meeting. There is a risk of the Council missing the 31st July deadline for publication of the final and signed accounts. The Council, along with BDO, will endeavour to complete the audit as soon as possible. Though it should be noted that although there may be a delay there is currently no suggestion that the accounts will be qualified.

3. Pension Fund

- 3.1 BDO audit work is still ongoing and a further update will be made at the Committee.

4. Value for Money Conclusion

- 4.1 BDO has completed their initial assessment and will continue to work on this in the coming weeks (from date of report circulation). A further update will be made at the Committee.

5. Management Representation Letter

- 5.1 It is a requirement of external audit that the Section 151 Officer signs a letter of representation confirming that she has the responsibility for the proper administration of the financial affairs of the authority and that the duties that this entails have been undertaken. The draft letter will be signed nearer to the date of approval of the accounts.

6. Publication of the Statement of Accounts

- 6.1 If the recommendation to approve the Accounts is agreed by this committee, BDO will be able to provide their formal opinion on the accounts and formally conclude the audit. The accounts will then be placed on the Council's website.

7. Financial Implications

- 7.1 These have been addressed in the body of the report.

8. Legal Implications

Implications completed by Dr Paul Field, Senior Governance Solicitor

- 8.1 The Local Audit and Accountability Act 2014 (the '2014 Act') requires that the Council as a relevant body must have its accounts audited. The procedure is set out in the Accounts and Audit Regulations 2015 (the 'Regulations'). Regulation 9 sets out a timetable and requires certification by the Council's responsible finance officer of the statement and then consideration by a committee to consider the statement and approve by resolution. This report is prepared in compliance with that obligation.
- 8.2 Following approval the Council must publish no later than 31 July 2019 the statement of accounts and a narrative statement by the Council on its financial performance, and economy, efficiency and effectiveness in the use of its resources over the financial year.

Public Background Papers used in the Preparation of the Report: None

List of appendices:

Draft Statement of Accounts 2018/19