

Committee Name and Date of Committee Meeting

Audit Committee – 18 August 2020

Report Title

Publication of unaudited Statement of Accounts 2019/20

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

The Council's annual accounts are the principal means by which the Council is held publicly accountable to local and national stakeholders over the stewardship of its resources.

The report to Audit Committee in Feb 2020 highlighted the approach taken by the Council in ensuring that the draft unaudited Statement of Accounts would be published in accordance with the revised timescales in accordance with the Accounts and Audit Regulations 2015. A follow up report to Audit Committee in May 2020 set out the revised timetable for the production of accounts in light of the Covid-19 impact.

The draft unaudited Statement of Accounts 2019/20 were published on the Council's website on 31 July 2020 which are available through the following link:

[2019-20 SOA](#)

It also provides Members with an opportunity to consider the draft unaudited Statement of Accounts before Audit Committee is asked to formally approve them, post completion of Grant Thornton's audit, at its meeting in November.

Recommendations

1. The Audit Committee is asked to receive the draft unaudited Statement of Accounts 2019/20.

List of Appendices Included

Appendix A – Narrative Report

Appendix B – Highlights Report setting out key matters reported in the 2019/20 accounts

Appendix C – Unaudited Statement of Accounts 2019/20

Background Papers

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 Accounts and Audit Regulations 2015

Audit Committee meeting – 4 February 2020

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

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1. Background

- 1.1 The Code of Practice on Local Authority Accounting 2019/20 together with the Accounts and Audit Regulations 2015 set out the accounting and statutory framework for local authority financial reporting.
- 1.2 Under the Accounts and Audit Regulations 2015, local authorities are required to publish their unaudited accounts no later than 31 May accompanied by a Narrative Report and draft Annual Governance Statement. This triggers a period of 30 working days for local electors to exercise their rights to inspect the accounts and supporting records and to ask questions of the external auditor. Following recognition of the deliverability of quality accounts by this date in light of the Covid-19 outbreak the regulations were amended for the 2019/20 accounts to require publication of unaudited accounts by 31 August 2020. A revised timetable for the production of the Council's accounts was presented to Audit Committee in May 2020, indicating the Council's draft accounts would now be published on 31 July 2020. The draft unaudited Statement of Accounts 2019/20 were published on the Council's website alongside the Narrative Report and draft Annual Governance Statement on 31 July 2020, in line with these revised timelines. The period for local electors to exercise their rights will cease on 14 September 2020.
- 1.3 The external audit of the 2019/20 accounts commenced early on a small scale, with full commencement from 31 July 2020. Grant Thornton will report the findings from their audit to Audit Committee at its November meeting. Where appropriate, Grant Thornton will set out any material adjustments made to the accounts and any uncorrected differences of a non-trivial nature (Grant Thornton have set an overall materiality level of £9 million and triviality threshold of £0.450 million for their audit of the 2019/20 accounts). Audit Committee will then be asked to formally approve the audited Statement of Accounts for publication having regard to Grant Thornton's findings and opinion on whether the accounts give a true and fair view of the Council's financial performance for the year and its financial position at the end of the year and whether they have been prepared in accordance with proper practice. The deadline for publishing the audited accounts is now 30 November 2020.

2. Key Issues

- 2.1 The Council's draft unaudited Statement of Accounts 2019/20 as published on the Council's website are attached as Appendix C, with a Highlight Report attached as Appendix B. The accompanying Narrative Report is attached as Appendix A.

- 2.2 The accounts have been produced in accordance with The CIPFA code of practice, there have been no new IFRS to consider and include.

3. Options considered and recommended proposal

- 3.1 Compliance with the Accounts and Audit Regulations 2015 is a statutory requirement. The Regulations state that the Council's "responsible financial officer" is required to sign-off the draft unaudited Statement of Accounts by the statutory date and confirm that they are satisfied it presents a true and fair view of the Council's financial position for the financial year. However, the Audit Committee does have discretion over whether it wishes to receive the unaudited accounts before they are formally required to approve them for publication post audit.

4. Consultation on proposal

- 4.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the accounts being prepared.
- 4.2 Relevant outcomes from the consultation process must be included in the report. The consultation methodology must also be included so Members can form a view on how reliable and representative the consultation outcomes are. The names of included or associated organisations involved need to be included in the Report History section of the report.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The statutory deadline for publishing the draft unaudited Statement of Accounts for 2019/20 by 31 August has been met. The statutory deadline for publishing the audited financial statements for 2019/20 is 30 November.

6. Financial and Procurement Advice and Implications

- 6.1 There are no financial or procurement implications directly associated with closure of the accounts, other than the impact on the audit fee of having good quality financial statements and supporting working papers which meet Grant Thornton's expectations.

7. Legal Advice and Implications

- 7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015.

8. Human Resources Advice and Implications

- 8.1 There are no Human Resource implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

10. Equalities and Human Rights Advice and Implications

10.1 There are no implications arising from this report to Equalities and Human Rights.

11. Implications for Partners

11.1 The NHS requires information on how the pooled budgets operated under the Better Care Fund have been spent to an earlier timetable than that of the Council. Arrangements have been made to ensure this earlier timetable is met. There are no other implications arising from this report to Partners or other directorates.

12. Risks and Mitigation

12.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

13. Accountable Officer(s)

Judith Badger (Strategic Director of Finance & Customer Services)

Approvals obtained on behalf of:-

	Named Officer	Date
Chief Executive		Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	05/08/20
Head of Legal Services (Monitoring Officer)	Bal Nahal	05/08/20
Assistant Director of Human Resources (if appropriate)	Lee Mann	06/08/20
Head of Human Resources (if appropriate)	N/A	N/A

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