
**REPORT TO THE AUDIT & STANDARDS COMMITTEE
MEETING ON: 03 MARCH 2021**

Status: Decision
Title: Financial Statements 2019/20
Originator: Clive Mason – Director: Finance and Assets
Where from: N/A
Where to next: External Audit and Publication

1 Outcome Sought from Committee

1.1 To consider and approve the Council's Statement of Accounts for 2019/20 financial year.

2 Recommendations

2.1 That the Committee approves the Statement of the Accounts for 2019/20 at Appendix A and;

2.2 Authorise the Chief Officer – Finance and Assets or deputy to make any further amendments noted at the meeting or prior to formal sign-off by the External Auditor by the end of March 2021.

3 Background

3.1 To bring to Members attention an overview of the Council's financial performance during 2019/20 financial year.

4 Points for Consideration

4.1 **Introduction**

The Council's unaudited accounts for 2019/20 financial year have been completed. This position statement was intended to provide Members with an indication of the Council's overall financial performance in advance of the 30 November statutory deadline for the External Auditor to sign off the accounts (normally 31 August but extended this year because of Covid-19). However, the external audit was not completed by that date as our external auditors, Mazars LLP, were waiting to receive information from the auditors of the Leicestershire Local Government Pension Fund, Grant Thornton UK LLP. Non-publication is not a reflection of the Council's financial standing or governance arrangements, both of which remain strong and robust.

4.2 **Timing**

The Accounts and Audit Regulations require that the annual statement of accounts for the preceding financial year must be completed, signed, dated and certified by the Responsible Financial Officer (the Chief Officer: Finance and Assets) by the 31 May of the current financial year in readiness for the external auditors to examine the accounts. This was delayed this year by the Accounts and Audit Regulations (Coronavirus) Amendments Regulation 2020 (SI 2020/404) to 31 August. The accounts were issued on 17 July 2020.

The Council's external auditor has been reviewing the statements and the working papers, a separate report on the findings (Audit Completion Report (IAS 260) has been reported to this meeting. He now is ready to issue unqualified opinions on the Financial Statements and VFM Assessment in accordance with the Accounts and Audit Regulations.

4.3 **Corporate Governance**

In accordance with the amended Accounts and Audit Regulations the statement and other related documents were made available for public inspection for a period of 10 days in July following their issue. No members of the Public availed themselves of this opportunity during this period.

The amended Accounts and Audit Regulations require that the audited statement is published by 30 November. This situation of the audit being incomplete at this date is allowed for by Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015.

Thus, as per paragraph (2a), a notification was published on the Council's website stating that we were not yet able to publish our audited 2019/20 final statements and when the outstanding information has been received and the audit complete, the Audit and Standards Committee will consider the results at a meeting, after which we will publish the final audited accounts.

4.4 **Annual Governance Statement**

The Annual Governance Statement is produced alongside the financial statements and is on the same agenda for approval prior to the accounts being signed off. The signed Annual Governance Statement will be published on the website alongside the Accounts.

4.5 **Structure of the Accounts**

4.5 The format of the accounts complies with the requirements set out in CIPFA's Code of Practice on Local Authority Accounting in the UK 2019/20.

4.6 Since the issuing of the draft accounts in July there are two changes to the Accounts that the Council has agreed with the External Auditor to amend.

(a) as explained in the verbal statement that the Auditor gave to the Committee on 15th October 2020.

The Council's valuer has included a statement of 'material valuation uncertainty' in their valuation of the Council's assets as at 31 March 2020 and this is disclosed in note 4 to the financial statements to inform any reader of the accounts.

(b) as a result of the completion of the audit of the Leicestershire Local Government Pension Fund the inclusion of a 'material valuation uncertainty' in the valuation of the pension fund assets and is also disclosed in note 4.

4.7 No changes to the overall surplus for the financial year have been made since the draft accounts were issued.

4.8 There were a number of minor presentational amendments made – this is normal as part of the Audit process and have been incorporated in the final accounts for Members approval.

4.8 The Director: Finance and Assets is required as part of signing off the accounts to submit to the External Auditor a Management Representation Letter. This has been submitted and is included within the auditors' audit completion report.

4.9 The Statements are attached at **Appendix A**.

5 Equality Impact Assessment

5.1 None arising directly from this report.

6 Conclusions

6.1 The Statement of Accounts will be signed off by the External Auditor.

Previous report(s):

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: N

Appendices: *list any appendices here including title and filename in brackets (e.g. Performance Data 2010 (perfddata.doc)).*