

## BRECKLAND DISTRICT COUNCIL

**Report of:** Maxine O'Mahony, Executive Director of Strategy and Governance

**To:** Governance and Audit Committee, 8 October 2020

**Author:** Alison Chubbock, Chief Accountant

**Subject:** Audited Annual Statement of Accounts

**Purpose:** To present the audited statement of accounts to Governance and Audit Committee to approve the changes to date and delegate authority for any further changes resulting from the EY audit

### **Recommendation(s):**

- 1) That Governance and Audit Committee give delegated authority to the S151 Officer in conjunction with Chairman of Governance and Audit Committee to approve any further amendments to the Statement of Accounts 2019-20 resulting from the EY audit.
- 2) That Governance and Audit Committee give delegated authority to the S151 Officer in conjunction with Chairman of Governance and Audit Committee to approve:
  - a) The final audited statement of accounts 2019-20
  - b) The annual governance statement (AGS) 2019-20
  - c) The letter of representation 2019-20

### **1.0 BACKGROUND**

- 1.1 The Accounts and Audit Regulations 2015 require that the audited statement of accounts be considered and approved by a committee of the Council no later than 31 July each year, however for 2019-20 MHCLG confirmed changes to these regulations to extend the statutory deadline to 30 November 2020 for all local authorities.

The draft statement of accounts was shared with committee Members via email on 2 June 2020, alongside a report which included the areas of likely change due to the impact of the longer timeframes for producing the accounts and the Covid pandemic affects. Since this time Ernst & Young have progressed the audit of the accounts however at the date of writing this report the audit had not fully completed, the Ernst & Young Audit Results report on this agenda provides an update on progress. The two main areas of audit focus which remain outstanding are pensions valuation and assets valuations, due to the exceptional circumstances we are currently in.

As the audit is not fully completed, the Governance & Audit Committee are unable to approve the audited statement of accounts at this meeting and delegated authority is therefore requested for the S151 Officer in conjunction with the Chairman of Governance and Audit Committee to approve the accounts and related items after the audit is finalised.

If this is approved we would ensure that all changes are notified to the committee Members via email along with sending the final set of accounts and letter of representation.

- 1.2 The audit results have been very positive so far and only minor changes have been made as a result of audit findings:
- Minor changes to note headings, graphs, prior years values, typos, etc.
  - Changes to notes 4 and 30

Following the receipt of the final information on the pension fund and Norfolk NNDR Pilot, which were not available in May, these values have been updated in the statements, the effects of these changes are:

- A further £79k levy payable into the Norfolk NNDR Pool
- A small increase in the pension liability to £44,874k from £44,803k

These changes have impacted on the following areas of the accounts:

- Expenditure and Funding Analysis
- Comprehensive Income and Expenditure Statement
- Movement in Reserves Statement
- Balance Sheet
- Note 6 - Reserves
- Note 7 – Pensions
- Note 18 – Unusable Reserves
- Group Accounts

- 1.3 The statement of accounts 2019-20, which includes the Annual Governance Statement, as at 30 September are attached at appendix A.

## 2.0 **OPTIONS**

- 2.1 That Governance and Audit Committee give delegated authority to the S151 Officer in conjunction with Chairman of Governance and Audit Committee to approve any further amendments to the Statement of Accounts 2019-20 resulting from the EY audit, and That Governance and Audit Committee give delegated authority to the S151 Officer in conjunction with Chairman of Governance and Audit Committee to approve:
- a) The final audited statement of accounts 2019-20
  - b) The annual governance statement (AGS) 2019-20
  - c) The letter of representation 2019-20

- 2.2 That Governance & Audit Committee re-convene a special meeting to approve the final audited statement of accounts, annual governance statement and letter of representation for 2019-20 prior to the 30 November deadline date.

## 3.0 **REASONS FOR RECOMMENDATION(S)**

- 3.1 To comply with the Accounts and Audit Regulations 2015 and to adjust the accounts for any audit findings to ensure the statement of accounts properly reflects the balances of the Council.

## 4.0 **EXPECTED BENEFITS**

- 4.1 Compliance with the Accounts and Audit Regulations 2015, whilst allowing time for the audit to fully complete.

## 5.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection;

Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

## 5.2 **Constitution & Legal**

5.2.1 Accounts and Audit Regulations 2015

## 5.5 **Financial**

5.5.1 The report and appendices are financial in nature

## 5.6 **Risk Management**

5.11.1 Risks are included within the statement of accounts where necessary.

## 6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 N/A

## 7.0 **ACRONYMS**

7.1 MHCLG – Ministry of Housing, Communities and Local Government

7.2 NNDR – National Non-Domestic Rates

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Background papers:- N/A

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### **Lead Contact Officer**

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**Key Decision:** No

**Exempt Decision:** No

**This report refers to a Mandatory Service**

### **Appendices attached to this report:**

Appendix A Statement of Accounts 2019-20