

Report To:	Audit Committee	Date:	19th October 2020
Heading:	AUDITED STATEMENT OF ACCOUNTS 2019/20		
Portfolio Holder:	N/A		
Ward/s:	N/A		
Key Decision:	No		
Subject to Call-In:	No		

Purpose of Report

This report provides the Audit Committee with the Council's Statement of Accounts for 2019/20 and reports on the outcome of the external audit of the Council's Statement of Accounts 2019/20.

Subject to approval of the Statement of Accounts by the Audit Committee, a copy of the audited Final Statement of Accounts will be placed on the Council's website.

Recommendation(s)

To approve the audited Statement of Accounts for 2019/20 subject to the outcome of the Nottinghamshire County Council Pension Fund audit.

To delegate authority for the final approval of the audited Statement of Accounts for 2019/20 to the Corporate Finance Manager (Section 151 Officer) subject to a satisfactory outcome of the Nottinghamshire County Council Pension Fund audit and report back to Audit Committee details of any changes, if required.

Reasons for Recommendation(s)

To comply with Financial Regulations which form part of the Council's Constitution. These state the Audit Committee is responsible for approving the Annual Statement of Accounts.

Alternative Options Considered

None as it is a statutory requirement for Council's to publish the audited Annual Statement of Accounts and a requirement of the Council's Financial Regulations for the Audit Committee to approve the annual Statement of Accounts.

Detailed Information

Prior to the Covid-19 pandemic, the deadline for completion and publication of the draft Statement of Accounts was 31 May and the deadline for the final audited Statement of Accounts was the 31 July. Due to the Covid-19 pandemic, these statutory deadlines were amended, requiring the draft to be completed and published no later than the 31 August and the final audited version to be published by 30 November 2020.

Despite these changes, the Council's draft Statement of Accounts (excluding the Annual Government Statement (AGS)) were provided to Mazars, the External Auditors on the 12th June 2020, to enable them to commence their Audit on the 22nd June 2020, the date agreed prior to the Covid-19 pandemic.

Due to providing the draft Statement of Accounts before the extended statutory deadline, the National Non Domestic Rates (NNDR) position included in the Statement of Accounts was based on an estimated position pending the completion of the NNDR 3 claim, which also had an extended deadline to 31st July 2020. The draft accounts were amended for NNDR 3 claim, the AGS was included and they were published on the Council's website on the 31 August 2020.

The link to the draft statement of accounts is:

<https://www.ashfield.gov.uk/your-council/financial-information/statement-of-accounts-audit-reports/>

An adjustment has been made between the draft and final Statement of Accounts 2019/20 due to two investment properties being included at gross valuation rather than net valuation, (gross valuation includes buyer costs such as stamp duty, which are excluded from the net valuation, which is the amount you would receive if sold). This amendment decreased the valuation of investment properties in the balance sheet by £581k, which passes through the Comprehensive Income & Expenditure Statement (CIES) but is reversed out in Movement in Reserves Statement (MIRS) to the Capital Adjustment Account and Revaluation Reserve in the Balance Sheet, and therefore does not impact on the in-year surplus for 2019/20.

The audit resulted in some minor presentational changes being made to the note to the accounts:

- The future years profiling of investment income included in Note 33 Assets held as Lessor – b. Operating Leases has been amended between the year bandings.
- The net position regarding new loans taken and loans repaid had been included in Note 26d cashflow financing activities, this has been amended to show the cash receipts for new loans taken and repayment of loans separately.
- 2018/19 comparative figure in Note 17e) has been changed to nil in line with the 2018/19 accounts
- A paragraph has been added to Note 15 regarding the material uncertainty in the valuations of the investment properties as at 31 March 2020, due to Covid-19.

Mazars work on the accounts is substantially complete, one outstanding issue is that the audit of the Nottinghamshire Pension Fund is yet to be finalised, and as a result Mazars cannot yet conclude their work on the pension figures and notes within our Statement of Accounts. If any issues arise from the completion of their remaining work, they will be reported to the next Audit Committee.

Implications

Corporate Plan:

Production of timely and accurately Statement of Accounts is a statutory requirement. Achievement of this reflects sound financial management supporting delivery of the Corporate Plan.

Legal:

This report enables the Council to present for approval the audited Statement of Accounts by 30th November 2020 in accordance with statute.

Finance:

Budget Area	Implication
General Fund – Revenue Budget	As per the Statement of Accounts
General Fund – Capital Programme	As per the Statement of Accounts
Housing Revenue Account – Revenue Budget	As per the Statement of Accounts
Housing Revenue Account – Capital Programme	As per the Statement of Accounts

Risk:

Risk	Mitigation
The final accounts may change as a consequence of the pension fund audit.	Should any changes be necessary these will be reported to the next Audit Committee with details of any implications.

Human Resources:

Not Applicable

Environmental/Sustainability

Not Applicable

Equalities:

Not Applicable

Other Implications:

Not Applicable

Background Papers

Statement of Accounts 2019/20

Mazars Audit Completion Report (ISA 260)

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