
TITLE: 2018/19 ANNUAL FINANCIAL REPORT / STATEMENT OF ACCOUNTS

Committee: Finance and Assets Committee

Date: 6th February 2020

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[U164]

1.0 ISSUE

1.1 To approve the 2018/19 Statement of Accounts.

2.0 RECOMMENDATION

2.1 That the 2018/19 Statement of Accounts as set out in Appendix 1 be approved subject to the Section 151 Officer, in conjunction with Ernst & Young (EY), being authorised to make any final changes, as required, prior to final sign-off by EY on or around the 10th February 2020.

3.0 BACKGROUND/OPTIONS

3.1 The Audit and Accounts Regulations 2015 which apply to the preparation, approval and audit of the Statement of Accounts for the year ending 31st March 2019 require the following process to be followed:

- The draft Accounts must be certified by the Council's Responsible Financial Officer (Section 151 Officer) by 31st May following the end of the financial year. It is confirmed that the accounts were signed off by this statutory deadline.
- The draft accounts and any associated financial documentation are made available for public inspection for a period of 30 working days. The accounts were available for public inspection from the 1st June to the 12th July 2019, but during this period neither the Council nor EY received any communications from the public.
- By the 31st July:
 - The Accounts must be re-certified by the Responsible Financial Officer before Member approval is given
 - The Accounts must be approved by Members
 - The Accounts must be published together with any certificate, opinion or report issued by the appointed auditor.

3.2 From the Council's side the requirements of the 31st July were achieved, but due to resourcing issues at EY it was not possible to receive the audit opinion by this date and so the accounts published remained draft subject to final audit sign-off.

3.3 Under the Council's Constitution, it is the Finance and Assets Committee's function to approve the Statement of Accounts 2018/19.

4.0 FORMAT OF THE ANNUAL FINANCIAL REPORT 2018/19

4.1 The format of the Statement of Accounts is prescribed by a range of regulations and reporting requirements together with a code of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

4.2 Since 2010/11, as part of the wider public sector move towards international accounting standards, all local authorities in the UK are required to produce their annual financial statements using International Financial Reporting Standards (IFRS).

5.0 CHANGES SINCE THE DRAFT ACCOUNTS

5.1 Members will note that Ernst & Young, our appointed auditors, identified a number of issues during the course of their audit. These are detailed in the Audit Differences section of their Audit Results Report.

5.2 The version attached as appendix 1 to this report includes all the adjustments identified since the draft accounts were published on the Council's website on the 31st May, including all the issues detailed in the Audit Results Report (previously discussed on this agenda). This version does however remain subject to further Audit review and so there remains the possibility that further minor changes will be needed.

5.3 There was an adjustment required in relation to the valuation of Property, Plant and Equipment for the Paradise Pool and Hive Leisure Centre. There was also an adjustment for the reporting on the Group accounts for eliminations purposes. These adjustments do not impact the reported Outturn position and are purely for the Council's statutory accounts.

5.4 A further major adjustment that has been required related to the Pension Fund valuation, where due to a court ruling known as McCloud, we had to request a revised report from the actuary detailing the position as at the 31st March 2019. This impacted on all councils across the Country. This however is an entry solely for the Council's Statutory Accounts and again does not impact on the reported Outturn position.

6.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT ASSESSMENT

6.1 This report presents details of the Council's financial position for the year ended 31st March 2019 in the prescribed format.

6.2 Equality Impact Assessment (INRA) not required.

6.3 Carbon Impact Assessment (CIA) not required.

7.0 APPENDICES

7.1 Appendix 1 – Statement of Accounts 2018/19

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
The Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (The Code).	Room 104 The Grange Ely	Ian Smith Finance Manager and Section 151 Officer Telephone: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk
The Prudential Code for Capital Finance in Local Authorities published by CIPFA		
Final Accounts working papers.		