

AGENDA ITEM NO 9

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

Committee: Finance and Assets Committee

Date: 25th July 2019

Author: Finance Manager and Section 151 Officer

[U38]

1.0 ISSUE

1.1 To approve the 2018/19 Statement of Accounts.

2.0 RECOMMENDATION

2.1 That the 2018/19 draft Statement of Accounts as set out in Appendix 1 be approved subject to the Section 151 Officer, in conjunction with Ernst & Young (EY) and in consultation with the Chairman of Committee, being authorised to make any minor changes, as required, following the completion of the audit.

2.2 That if more fundamental changes are needed to the Statement of Accounts, these will be brought back to Committee for further approval once the audit has been completed.

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 30th May the 10th July 2019. 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 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 AUDIT OF THE DRAFT ACCOUNTS

5.1 Members will have noted in Agenda item 7, that Ernst & Young, our appointed auditors, have been unable to start their audit of our Financial Statements at this time, this as a consequence of resource issues within their company.

5.2 The version attached as appendix 1 to this report therefore only includes two change from the draft accounts published on the Council's website on the 30th May. The main change relates to a recalculation of the pension fund liability following a Supreme Court ruling on the 27th June throwing out the Government appeal in relation to the McCloud ruling, which stated that the 2015 pension fund changes were unlawful on the grounds of age discrimination as they discriminated against younger employees.

5.3 A minor change has also been made to the Group Accounts, following the Price Bailey audit of East Cambs Street Scene Accounts, where they have required that an accrual for recycling credits be restated, to match the actual amount received.

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.

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 2018/19 (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.		