

<b>Report to:</b>	<b>AUDIT PANEL</b>
<b>Date:</b>	28 July 2020
<b>Reporting Officer:</b>	Kathy Roe – Director of Finance Tom Wilkinson – Assistant Director of Finance
<b>Subject:</b>	<b>DRAFT STATEMENT OF ACCOUNTS 2019/20</b>
<b>Report Summary:</b>	This report presents the draft Statement of Accounts for 2019/20. The draft accounts are subject to audit, with the audit due for completion and sign off before 30 November 2020. The audited statement of accounts will be presented to the Audit Panel at the September or November 2020 meeting for approval before the statutory deadline of 30 November 2020. <b>Appendix 1</b> provides an overview of the form and content of the Council’s financial statements. The full financial statements, for the Council and the Greater Manchester Pension Fund, are included in <b>Appendices 2 and 3</b> .
<b>Recommendations:</b>	The Panel is asked to note the draft Statement of Accounts and the timescales for completion of the audit.
<b>Corporate Plan:</b>	The Corporate Plan helps determine the priorities for Council spending, which is summarised in the 2019/20 accounts.
<b>Policy Implications:</b>	There are no wider policy implications arising from this report.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	The Statement of Accounts 2019/20 provide full details of the Council’s financial position at 31 March 2020 and its income and expenditure for the year there ended. The accounts are prepared in accordance with the CIPFA Code of Practice for Local Authority Accounting which is based on International Financial Reporting Standards. The Council is required to prepare draft financial statements for 2019/20 by 31 August 2020. These draft financial statements will now be subject to external audit and audited statements must be approved before 30 November 2020.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	<p>The <u>Local Audit and Accountability Act 2014</u> (the Act) governs the work of auditors appointed to authorities and other local public bodies. The Act, the <u>Accounts and Audit Regulations 2015</u> and the <u>Local Audit (Public Access to Documents) Act 2017</u> also cover the duties, responsibilities and rights of local authorities, other organisations and the public concerning the accounts being audited. Non compliance with these provisions could lead to the issue of an advisory notice by the External Auditor, with the ultimate sanction of judicial review, as only a court can ultimately decide whether a local authority’s decision, or failure to decide something it should have, is unlawful.</p> <p>A Letter was received from the Ministry of Housing, Communities and Local Government informing local authority chief executives that:</p> <ul style="list-style-type: none"> <li>the publication date for final, audited, accounts will move from 31 July for Category 1 authorities and 30 September for Category 2 authorities to 30 November 2020 for all local</li> </ul>

authority bodies

- to give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June (for Category 1 authorities) and July (for Category 2 authorities) has been removed. Instead local authorities must commence the public inspection period on or before the first working day of September 2020.

The regulations implementing these measures were laid on 7 April and came into force on 30 April 2020. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/880740/200422\\_LA\\_CEx\\_letter.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/880740/200422_LA_CEx_letter.pdf)

**Risk Management:**

The external audit provides external verification of the Council's financial statements. By producing the annual Statement of Accounts, the Council aims to give all interested parties confidence that the public money that has been received and spent, has been properly accounted for and that the financial standing of the Council is secure.

**Background Papers:**

The background papers relating to this report and any further information can be obtained from the report writer, Heather Green, Finance Business Partner



Telephone: 0161 342 2929



e-mail: [heather.green@tameside.gov.uk](mailto:heather.green@tameside.gov.uk)

## **1 INTRODUCTION**

- 1.1 The current legislation enables the draft Statement of Accounts to be certified by the Director of Finance (Section 151 Officer) and this will be completed before the draft statements are formally published on the Council's website. External Audit have commenced their work on the draft statements and are expected to report to Audit Panel in September or November 2020
- 1.2 The Statement of Accounts 2019/20 provide full details of the Council's financial position at 31 March 2020 and its income and expenditure for the year there ended. The accounts are prepared in accordance with the CIPFA Code of Practice for Local Authority Accounting, which is based on International Financial Reporting Standards. **Appendix 1** provides an overview of the form and content of the Council's financial statements. The full financial statements, for the Council and the Greater Manchester Pension Fund, are included in **Appendices 2 and 3.**

## **2 UPDATES TO THE 2019/20 CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING**

- 2.1 Officers have assessed the accounting policies that are deemed necessary to explain clearly and underpin the accounting treatment of transactions within the Council's Statement of Accounts for 2019/20. In undertaking this assessment a review of all accounting policies previously agreed has been undertaken to check their relevance, clarity, legislative compliance and that they are in accordance with the latest version of 'the Code' and IFRS requirements. The draft accounting policies for 2019/20 were presented to the Audit Panel in March 2020.
- 2.2 There are no substantive changes to the accounting standards or Code of Practice on Local Authority Accounting, which impact on the treatment of transactions and balances in the 2019/20 financial statements.

## **3 RECOMMENDATIONS**

- 3.1 As set out on the front of the report.