



25 November 2020

Agenda Item: 5

**REPORT OF THE CHAIRMAN OF FINANCE AND MAJOR CONTRACTS
MANAGEMENT COMMITTEE**

STATEMENT OF ACCOUNTS 2019/20

Purpose of the Report

1. To inform the Governance and Ethics Committee of the contents of the external auditors' Audit Findings Report 2019/20.
2. To present the draft Statement of Accounts 2019/20 and for approval of the final Statement of Accounts 2019/20 to be delegated to the Section 151 Officer in consultation with the Chair of the Governance and Ethics Committee.
3. For approval of the letters of representation to be delegated to the Section 151 Officer in consultation with the Chair of the Governance and Ethics Committee.

Accounting Adjustments

4. Since publication of the draft accounts two adjustments have been made to the financial statements, neither of which impact upon the Council's Comprehensive Income and Expenditure Statements, as follows:-
 - Note 29 Fair Value of Assets and Liabilities – the fair value of the Council's Public Works Loans Board (PWLB) and Lender Option Borrower Option (LOBO) borrowings have traditionally been calculated using the PWLB redemption rate. The Local Authority Accounting Code of Practice now requires that new loan rates are used instead. The required adjustment has been made to Note 29 but this does not affect the primary statements.
 - A correction has been processed to reflect an incorrectly posted creditor journal regarding a land transaction. This has reduced the value of creditors in the accounts with an associated reduction in debtors.
5. It should be noted that the financial accounting adjustments that have been made to the accounts do not impact upon the Authority's Management Accounts which were approved by Full Council on Thursday 23 July 2020.

Audit Results

6. The statutory audit of the Statement of Accounts 2019/20 was undertaken by Grant Thornton. The audit was completed satisfactorily and, subject to outstanding queries being resolved to their satisfaction, it is anticipated that the audit report to be issued will include an unqualified opinion on the financial statements. The auditor's final opinion of the Nottinghamshire County Council accounts and the Nottinghamshire Pension Fund accounts will be published on the Council's website by 30 November 2019.
7. Due to the added complexity caused by the COVID19 pandemic the Statement of Accounts 2019/20 are not yet able to be approved at this Committee. It is proposed that approval of the final Statement of Accounts 2019/20 is delegated to the Section 151 Officer in consultation with the Chair of the Governance and Ethics Committee.
8. No material adjustments were identified that required an adjustment to the Council's Comprehensive Income and Expenditure Statement.
9. The audit did not identify any significant weaknesses in internal control and there were no significant difficulties or matters identified during the audit.
10. The auditor anticipates issuing an unqualified value for money conclusion stating that the Council had proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
11. The external auditors are not able to issue the formal 2019/20 Statement of Accounts notice of completion until the audit work is finalised and the review of the Whole Government Accounts is completed.
12. The statement of accounts is one of the key documents prepared by the Council to demonstrate good governance and value for money. This provides information about the County Council's financial position, performance and cash flows and consequently, shows the results of the stewardship and accountability of elected members and management for the resources entrusted to them, which is of paramount importance in the use of public funds.
13. The results of this year's audit are a continued positive reflection of the Council's performance, particularly in the context of the continuing changes and complexities arising from International Financial Reporting Standards and the additional complications brought about by the COVID19 pandemic.
14. As required by The Accounts and Audit (England) Regulations 2015, the Council's S151 Officer will re-certify the accounts following completion of the audit, the Chairman of the Governance and Ethics Committee will sign the Statement of Approval and the S151 Officer and Chairman of the Governance and Ethics Committee will sign the letters of representation.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty,

safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

16. That

- a) The contents of the External Audit Report 2019/20 are commented upon.
- b) The approval of the Statement of Accounts 2019/20 and approval of the letters of representation is delegated to the Section 151 Officer in consultation with the Chair of the Governance and Ethics Committee.

Councillor Bruce Laughton
Chairman of Governance and Ethics Committee

For any enquiries about this report please contact:

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Constitutional Comments (KK 17/11/2020)

17. The proposals in this report are within the remit of the Governance and Ethics Committee.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

Electoral Division(s) and Member(s) Affected

All