

# **Statement of Accounts 2018/19**

Report of the Head of Finance

## **Recommended:**

- 1. Ernst & Young's Annual Audit Results Report (Annex 1):**
  - a. That the matters raised in the report be considered before authorising the financial statements for issue,**
  - b. That the proposed audit opinion and value for money conclusion be noted.**
- 2. That the letter of representation (Annex 2) be approved.**
- 3. That the audited Annual Statement of Accounts for the financial year 2018/19 (Annex 3) be approved.**

### **SUMMARY:**

- The Council is required to prepare an Annual Statement of Accounts and have those accounts audited. This report presents the audited Annual Statement of Accounts for approval together with the Annual Audit Results Report of the Council's external auditors, Ernst & Young.
- The Statement of Accounts is presented with an unqualified opinion; this means the auditors have found no unadjusted material errors or misstatements in the accounts.

## **1 Introduction**

- 1.1 The Council is required to produce and approve an Annual Statement of Accounts for each financial year.
- 1.2 The accounts for the year ended 31 March 2019 have now been audited by Ernst & Young and the Annual Statement of Accounts, together with the auditor's Annual Audit Results Report are presented here for approval.

## **2 Ernst & Young's Annual Audit Results Report**

- 2.1 As part of the reporting process, an Ernst & Young director produces an Annual Audit Results Report (AARR). This is shown in Annex 1.
- 2.2 The AARR details findings in respect of the audit of the accounts and investigations into the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

- 2.3 An unqualified opinion is expected to be given in respect of both the Annual Statement of Accounts and the Council's value for money arrangements. This means that the auditors have found no material areas of concern as part of their audit.

### **3 2018/19 Statement of Accounts**

- 3.1 The accounts were prepared in accordance with statutory guidance and deadlines.
- 3.2 The Head of Finance approved the draft financial statements for audit on 31 May 2019. Following this, the accounts were submitted to Ernst & Young along with relevant working papers in order that the audit could be carried out.
- 3.3 There have been a small number of presentational amendments to the accounts since the Head of Finance approved them for audit. These are all fairly minor and relate to disclosures in the notes to the accounts and an increase in the pension liability valuation following the receipt of a revised actuarial report. None of these changes have affected the "bottom line" position of the Council as reported to the Cabinet in May.
- 3.4 Before approving the Annual Statement of Accounts, Councillors should consider the Council's Annual Governance Statement shown at the end of the Statement of Accounts (Annex 3). This remains unchanged from the statement approved by Council on 26 June 2019 (Minute 84 refers).

### **4 Conclusion and reasons for recommendation**

- 4.1 The Statement of Accounts presented with this report is recommended to be approved by the General Purposes Committee as the Council's audited Statement of Accounts for 2018/19.
- 4.2 It is expected that Ernst & Young will be issuing an unqualified opinion in respect of both the Annual Statement of Accounts and on the Council's ability to deliver value for money.
- 4.3 The reason for the recommendation is to comply with a statutory duty to approve the Council's audited Statement of Accounts by 31 July each year.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u> It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	3	File Ref:	N/A
(Portfolio: Finance) Councillor Flood			
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Report to:	General Purposes Committee	Date:	30 July 2019