



Report of the Chief Finance Officer
Report to Corporate Governance and Audit Committee
Date: 29th June 2020
Subject: Revised Statement of Accounts timescales and Grant Thornton Audit Plan Update 2019/20

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary

Main issues

1. In response to the additional pressures on council finance teams as a result of the coronavirus pandemic and the resulting lockdown, the government has extended the statutory timescales for the production of the 2019/20 statement of accounts. This report sets out the new statutory requirements and the council's planned timescales.
2. Grant Thornton presented their annual audit plan for 2019/20 to the January meeting of the Committee. The attached report and covering letter is an update to that audit plan, setting out the changes they have identified to their risk assessment and their audit approach as a result of the current situation.

Best Council Plan Implications and Resource Implications

3. There are no implications for the Best Council Plan and no resource implications arising from this report.

Recommendations

4. Members are asked to note the revised timescales for production of the 2019/20 statement of accounts, and to note and agree the changes to Grant Thornton's 2019/20 audit plan.

1. Purpose of this report

- 1.1 This report informs members of the changes to the statutory timetable for publication of the 2019/20 statement of accounts.
- 1.2 The report also informs members of changes to Grant Thornton's audit plan for 2019/20 in the light of the impact of the coronavirus pandemic. The attached report from Grant Thornton highlights the changes that they have made to the plan.

2. Background information

- 2.1 The deadlines for the production of local authorities' annual statement of accounts are given in the Accounts and Audit Regulations 2015.
- 2.2 Grant Thornton's statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice. As the Council's external auditors, Grant Thornton are required to satisfy themselves that the Council's accounts comply with statutory requirements and that they have been compiled according to proper practices. In addition they are also required to conclude as to whether the Council has arrangements in place for securing economy, efficiency and effectiveness in the use of resources.
- 2.3 Under the Committee's Terms of Reference, its role includes consideration of the Council's arrangements relating to external audit requirements including agreement and review of the nature and scope of the annual audit plan, and the receipt of external audit reports.

3. Main issues

- 3.1 2019/20 Statement of accounts timescales
 - 3.1.1 In response to the additional pressures on local authorities and their finance teams as a result of the coronavirus pandemic, the government issued the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 which extended the dates for the local authority statement of accounts and audit process. The amended dates apply only to the 2019/20 statement of accounts.
 - 3.1.2 Under the amended regulations, local authorities must publish their draft statement of accounts by 31st August, and must start the public inspection period no later than 1st September. The revised deadline for the publication of the final audited accounts is 30th November. However, in the accompanying guidance to the new Regulations, the government encourages local authorities to publish their accounts earlier than these dates if they are able to do so.
 - 3.1.3 The council is aiming to complete its draft accounts by the end of June. The public inspection period when the draft accounts will be published alongside the interim Annual Governance Statement is planned to start on 6th July. It has been agreed with Grant Thornton that their audit will start on 13th July.
 - 3.1.4 The draft accounts will be presented to the July meeting of the Committee.

3.2 Grant Thornton External Audit Plan update

3.2.1 The attached report and covering letter from Grant Thornton explain the changes to their audit plan as a result of the coronavirus pandemic. These cover the identified risks, the audit approach and the planned timescales.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 The Audit Plan update does not raise any issues requiring consultation or engagement with the public, ward members or Councillors.

4.2 Equality and diversity / cohesion and integration

4.2.1 There are no issues regarding equality, diversity, cohesion and integration.

4.3 Council policies and the Best Council Plan

4.3.1 Under the Committee's terms of reference members are required to agree the nature and scope of the external audit plan.

Climate Emergency

4.3.2 There are no climate implications arising from this report.

4.4 Resources, procurement and value for money

4.4.1 The audit plan update outlines revisions to Grant Thornton's audit approach in assessing whether the Council has proper arrangements for securing value for money.

4.5 Legal implications, access to information, and call-in

4.5.1 In their audit plan presented to the Committee in January, Grant Thornton outlined how they proposed to discharge their responsibilities as defined by in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice. This update explains the changes made to that plan in response to the coronavirus pandemic.

4.5.2 As this is a factual report based on past financial information none of the information enclosed is deemed to be sensitive or requesting decisions going forward, and therefore raises no issues for access to information or call in.

4.6 Risk management

4.6.1 The report from Grant Thornton identifies the impact of the coronavirus pandemic as a new key risk in the context of their audit of the council's financial statements.

5. Conclusions

- 5.1 The government has significantly extended the statutory timescales for production of the 2019/20 statement of accounts. As a result, the council aims to produce its draft statement of accounts by the end of June, with the public inspection period for the draft accounts and the interim Annual Governance Statement planned to start on 6th July.
- 5.2 Grant Thornton have provided an update to their audit plan, setting out changes to the identified risks, the audit approach and the planned timescales due to the coronavirus pandemic.

6. Recommendations

- 5. Members are asked to note the revised timescales for production of the 2019/20 statement of accounts, and to note and agree the changes to Grant Thornton's 2019/20 audit plan.

7. Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.