

AGENDA ITEM

REPORT TO AUDIT & GOVERNANCE COMMITTEE

30th NOVEMBER 2020

REPORT OF DIRECTOR OF FINANCE, DEVELOPMENT AND BUSINESS SERVICES

STATEMENT OF ACCOUNTS 2019/20

PURPOSE OF REPORT

This report presents to Members the Council's Statement of Accounts for 2019/20 following external audit.

RECOMMENDATIONS

It is a statutory requirement of the Accounts and Audit Regulations 2015 – (Coronavirus amendments 2020) that the audited 2019/20 Statement of Accounts are approved by Members of the Committee and published on the Council's website on or before 30 November 2020. In order to comply with the regulations the Director of Finance, Development and Business Services and Chair of the Committee are required to sign the Statement of Responsibilities confirming the approval of the accounts and the authorisation to issue these as a public document.

Due to an issue with the required assurances Mazars, our external auditors require from the Teesside Pension Fund the accounts are unable to be signed today. We are therefore asking members to approve the accounts subject to any pension fund adjustment not having a material impact to the accounts.

DETAIL

1. The accounts have been completed in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom 2019/20" which is prepared under International Financial Reporting Standards.
2. The Accounts and Audit Regulations (England) 2015 came in to effect on 1st April 2015. The regulations changed the arrangements for the approval and publication of the Statement of Accounts and the Annual Governance Statement. Under the regulations the Council must publish its audited Statement of Accounts and approved Annual Governance Statement by 31st July for the financial year 2019/20 but due to the Covid 19 outbreak this date was amended.
3. The Ministry of Housing, Communities and Local Government (MHCLG) confirmed the details of the changes made to the Accounts and Audit Regulations 2015 in a letter to authorities on 3 April 2020. The Accounts and Audit (Coronavirus) Amendments Regulations 2020 (SI 2020/404) extend the statutory audit deadline for 2019/20 for all local authorities. The publication date for audited accounts has moved from 31 July to 30 November 2020 for all local authority bodies.
4. As mentioned as part of the Annual Accounts report presented to the Committee on the 28th September there was an error in the pension fund figures that had been provided by the Teesside Pension Fund. Therefore an adjustment to the figures provided in the annual accounts was likely to be required as the error was thought to be close to the

materiality level set by the external auditors Mazars of £9.6m.

5. The accounts have been updated for the corrected pension figures which has resulted in the following changes:
 - Long Term Liabilities on the Balance Sheet increasing from £312m up to £319m. Note 18 has also been updated accordingly.
 - Pension Reserve on the Balance Sheet increasing from £306m to £313m.
 - Re-measurements of the defined benefit liability in the CIES Statement increasing from £58.3m to £65.7m.
 - Note 31 Defined Benefit Pension Schemes updated to reflect corrected figures.
6. Following questions on Members Allowances at the meeting on the 28th September both note 10 and Appendix B have also been updated. The figures now include Mayoral Allowances and correct the small error identified.
7. All other figures are as presented in the draft accounts and covering reports presented to this Committee on the 27th July and 28th September 2020.
8. A public notice will be placed on the Councils website as required under by regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015, stating the reason why the accounts cannot be published within the statutory timeframe.

FINANCIAL AND LEGAL IMPLICATIONS

Regulation 9(1) of the Accounts and Audit Regulations 2015 requires the Council's Responsible Financial Officer (Director of Finance, Development and Business Services) to sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the Council. Regulation 9(2) requires the Statement of Accounts to be approved by members prior to publication. Regulation 10(1) requires the publication of the approved, audited Statement of Accounts by 30st November 2020 (updated date).

RISK ASSESSMENT

None directly from this report.

COMMUNITY STRATEGY IMPLICATIONS

None directly from this report.

CONSULTATION

None directly from this report.

Garry Cummings
Director of Finance, Development and Business Services

Contact Officer: Andy Bryson, Chief Accountant
Telephone Number 01642 528850
Email: andy.bryson@stockton.gov.uk