

## Agenda Item 4

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<b>Date</b>	28 August 2019

<b>Subject</b>	Statement of Accounts 2018/19
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### Recommendations

That the Audit Committee:

1. Approves the Statement of Accounts 2018/19.
2. Delegates responsibility to the S151 Officer, in consultation with the Chairman of Audit Committee, to address any non-material amendments required before completion of the audit.
3. Approves the letter of representation in relation to the 2018/19 audit.
4. Notes the findings of the external auditor as reported in the Audit Findings Report.

### Executive Summary

This report presents the statement of accounts 2018/19 and letter of representation for approval and sets out the findings of the external auditors, along with the responses from management.

The Appendices to this report are as follows:

Appendix A: Statement of Accounts 2018/19 (to follow by 23 August)

Appendix B: Letter of Representation 2018/19 (to follow by 23 August)

Appendix C: Audit Findings Report from the external auditors (to follow by 23 August)

### Corporate Priority Outcomes

#### Environment

- There are no issues directly relevant to this report.

#### Prosperity

- There are no issues directly relevant to this report.

#### Community Wellbeing

- There are no issues directly relevant to this report.

### The Committee has the authority to determine the Recommendations

## **1.0 Background / Introduction**

- 1.1 The draft unaudited statement of accounts 2018/19 was provided to the Audit Committee in June for review, and was discussed at an informal meeting of the Audit Committee on 20 June 2019. The draft audited statement of accounts 2018/19 is now presented to this Committee at Appendix A for approval prior to publication, along with the letter of representation for 2018/19 at Appendix B.
- 1.2 Due to the impact of the McCloud judgement, which affects the future pension liabilities of Mole Valley District Council and also due to the implementation of a new process for producing the statement of accounts 2018/19, the auditors, Grant Thornton have not been able to complete the audit by the due date of 31 July. Our statutory responsibilities have been met by publishing an explanatory note for this on the Council's website, along with an estimate of when the accounts will be published. It is understood that 40% of Councils nationally are in this position, including the majority of the local authorities in Surrey.
- 1.3 The statutory external audit by Grant Thornton has been in progress since the beginning of June and a substantial part of the work is complete and subject to outstanding areas of work being resolved, the external auditors have advised that they anticipate issuing an unqualified audit opinion.
- 1.4 A report on the audit findings to date is set out at Appendix C, including the areas of outstanding work. Given the tight timetable for external audit of the accounts, it has become a standard part of the process that some areas of audit work are still in progress at the point that the draft audited accounts are presented to committee. The Committee's approval is required to allow the S151 Officer in consultation with the Chairman of Audit Committee, to address any non-material amendments to the accounts that arise while the audit is finalised. Grant Thornton will verbally present the outstanding issues at this meeting.

## **2.0 Next steps**

- 2.1 The external auditors have advised that the final audit findings report, the audit opinion and the certification of the close of audit is likely to be issued within the next couple of weeks.
- 2.2 Subject to approval by this Committee, the statement of accounts will then be published on the Council's website.

## **Financial Implications**

There are no financial implications arising as a direct result of this report.

## **Legal Implications**

Section 9 (2) of the Accounts and Audit Regulations 2015 confirms, in relation to the approval of the Statement of Accounts that (following the period for the exercise of public rights), it must, in the following order:

- (a) Consider, either by way of Committee [at MVDC this is the Audit Committee] or by the members meeting as a whole, the Statement of Accounts,
- (b) Approve the Statement of Accounts by a resolution of that Committee or meeting,
- (c) Ensure that the Statement of Accounts is signed and dated by the person presiding at the Committee or meeting at which approval is given.

## **3.0 Corporate Implications**

**Monitoring Officer's commentary**

The Monitoring Officer confirms that all relevant legal implications have been taken into account.

**S151 Officer's commentary**

The S151 Officer confirms that all relevant financial risks and implications have been considered in this report.

**Risk Implications**

There are no risk implications as a direct consequence of this report.

**Equalities Implications**

There are no equalities implications as a direct consequence of this report.

**Employment Issues**

There are no employment implications in this report.

**Sustainability Issues**

There are no sustainability issues in this report

**Consultation**

There are no consultation issues in this report

**Communications**

There are no communication issues in this report

**Background Papers**

None