

## AUDIT COMMITTEE

<b>Date of Meeting</b>	Thursday 23 <sup>rd</sup> July 2020
<b>Report Subject</b>	Draft Statement of Accounts 2019/20
<b>Report Author</b>	Corporate Finance Manager

### EXECUTIVE SUMMARY

The Accounts and Audit (Wales) Regulations 2014 specify that the statutory deadline for the approval of the draft Statement of Accounts by the Responsible Finance Officer is 15<sup>th</sup> June.

The 2019/20 Council's draft Statement of Accounts was signed by the Corporate Finance Manager and submitted for audit on 12th June 2020.

The draft Statement of Accounts is attached at Appendix 1 for Members' information.

The draft Statement of Accounts will now be audited over the summer with the statutory deadline for publishing the final audited Statement of Accounts for 2019/20 being the 15<sup>th</sup> September 2020.

The draft Statement of Accounts and presentation will be circulated to all Members who will have the opportunity to discuss any aspect of the Statement of Accounts with Officers or Audit Wales (formerly the Wales Audit Office) throughout the period July to September. The final audited version will be brought back to this Committee for final approval on 9th September 2020.

### RECOMMENDATIONS

1	Members note the draft Statement of Accounts 2019/20 (which includes the Annual Governance Statement).
2	Members note the opportunity to discuss any aspect of the draft Statement of Accounts with Officers or Audit Wales from July to September, prior to the final audited version being brought back to this Committee for final approval on 9th September 2020.

## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE STATEMENT OF ACCOUNTS</b>
1.01	<p>The Accounts and Audit (Wales) Regulations 2014 specify that the statutory deadline for the approval of the draft Statement of Accounts by the Responsible Finance Officer is 15<sup>th</sup> June. The Council's draft Statement of Accounts was signed off by the Corporate Finance Manager and submitted for audit on 12<sup>th</sup> June. The draft Statement of Accounts is attached at Appendix 1 for Members' information. It will now be audited with the statutory deadline for publishing the final audited Statement of Accounts for 2019/20 being the 15<sup>th</sup> September 2020.</p>
1.02	<p>At the completion of the audit, Audit Wales will provide a report and opinion on the Statement of Accounts. Any required adjustment as a result of the audit will be incorporated into the final version of the Statement of Accounts. The final version will be presented to Audit Committee on 9<sup>th</sup> September 2020 for approval.</p>
1.03	<p>The Council's draft Statement of Accounts have been prepared in accordance with the requirements of the 2019/20 Code of Practice on Local Authority Accounting – which is based on International Financial Reporting Standards (IFRS) and include:</p> <ul style="list-style-type: none"><li>• The core financial statements and notes comprising – expenditure and funding analysis, comprehensive income and expenditure statement, movement in reserves statement, balance sheet and cash flow statement.</li><li>• The supplementary financial statements – the housing revenue account income and expenditure statement, movement in reserves statement and notes.</li><li>• The group accounts – incorporating the financial accounts of North East Wales (NEW) Homes Ltd, Newydd Catering and Cleaning Ltd and Theatr Clwyd Productions Ltd with that of the Council's.</li><li>• The Annual Governance Statement.</li></ul>
1.04	<p>The draft Statement of Accounts include the Annual Governance Statement which explains how the Council has complied with the Code of Corporate Governance and also meets the requirements of the Accounts and Audit (Wales) Regulations 2014. This was approved by the Chief Executive and the Monitoring Officer under delegated powers in June, pending submission to the Audit Committee.</p>
1.05	<p>There were no significant revisions to the 2019/20 Code of Practice.</p>

1.06	The draft Statement of Accounts and presentation will be circulated to all Members who will have the opportunity to discuss any aspect of the draft Statement of Accounts with Officers or Audit Wales throughout the period July to September. The final audited version will be brought back to this Committee for final approval on 9th September 2020.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Financial implications are as set out in the report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required and none undertaken.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	<p>The main risk is the Council not being able to meet its statutory deadlines for producing the Statement of Accounts. This is 15<sup>th</sup> June for the draft version signed by the Responsible Finance Officer, which has already been met; and 15<sup>th</sup> September for publishing the final version which has been externally audited, by Audit Wales in Flintshire's case.</p> <p>Officers have already been working closely with Audit Wales in preparing for the financial audit and will continue to do so during July and August to resolve queries arising. Progress will continue to be overseen by the Accounts Governance Group, a group of senior officers including the Chief Executive, Monitoring Officer and Section 151 Officer.</p>

<b>5.00</b>	<b>APPENDICES</b>
5.01	1. Draft Statement of Accounts 2019/20

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Paul Vaughan, Interim Finance Manager Technical Accounting</p> <p><b>Telephone:</b> 01352 702219</p> <p><b>E-mail:</b> <a href="mailto:paul.vaughan@flintshire.gov.uk">paul.vaughan@flintshire.gov.uk</a></p>

7.00	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Financial Audit:</b> The annual external audit of the Council's Statement of Accounts.</p> <p><b>Financial Year:</b> the period of 12 months commencing on 1 April</p> <p><b>Statement of Accounts / Final Accounts / Financial Accounts or Statements:</b> The Council's annual finance report providing details of the Council's financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.</p> <p><b>Audit Wales:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p>