

REPORT TO: Scrutiny and Overview Committee 16 December 2021

LEAD CABINET MEMBER: Councillor John Williams,
Lead Cabinet Member for Finance

LEAD OFFICER: Peter Maddock, Head of Finance

FINAL ACCOUNTS UPDATE

Executive Summary

1. This report updates the Committee on progress with the completion of the Council's Final Accounts for 2018/19.
2. The Audit and Governance Committee has received regular progress reports in relation to the 2018/19 audit of accounts and this report provides a brief update on the position reported to the meeting of the Committee on 1 December.

Key Decision

3. This is not a key decision as there are no resource implications directly arising from the report at this stage.

Recommendation

4. **To note the progress made in relation to the Audit of the 2018/19 Accounts.**
5. **To note the progress being made in closing the 2019/20 Accounts.**

Reason for Recommendation

6. To inform the committee of progress on the 2018/19 accounts audit.

2018/19 Accounts

7. At the Audit and Governance Committee of 1 December it was reported that the 2018/19 audit was still in progress. There were still some issues to finalise the most significant of which related to the Fixed Asset Register. It was reported that a meeting would be held between officers and EY to enable a walk through of the reports from the Asset Register system to be carried out to ensure a full understanding of the information presented.
8. The meeting occurred on Friday 3 December. This was a positive meeting and most of the sample information was provided to the auditors on 6 December the

remainder being passed on 8 December. The auditors will now carry out the testing they need to satisfy themselves the information is correct.

9. With regard to the nil value assets that have now been valued at £919,000; it has been agreed that the Asset Register will be updated with this information and the amended technical paper and amendments to note 4 were passed to the auditors on 7 December.
10. With regard to section 106 income; it has been established that the income is correctly accounted for in 2017/18 and there has been a mis-allocation rather than an error that would require adjustment. This information was passed to the auditors on 9 December.
11. The updated going concern assessment was also been passed to the auditors on 9 December and receipt has since been acknowledged.
12. Once the Asset Register has been updated and the reports re-run the statement of accounts can then be updated, checked and passed to the auditors for their final review.
13. From the point of the meeting on 3 December until the final statement of accounts is passed to the auditors it is estimated that 10 days of work will have been carried out in total though this time is made up by work from 4 different officers. This assessment though is dependent on whether there are further queries arising from the testing work.

2019/20 Accounts

14. The majority of pre audit work has been completed on the 2019/20 accounts. It should be noted though that the statement of accounts cannot be completed until after the 2018/19 audit has concluded and delays to the conclusion of the 2018/19 audit will lead to delays in the submission of the 2019/20 information for audit.

Implications

15. In the writing of this report, taking into account the financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Legal

16. Since 2016 there has been a requirement under the Accountancy and Audit Regulations for council's to present their accounts for the preceding financial year for audit by 31st of May each year and for those accounts to be audited and published by 31st July each year. An extension was granted for 2019/20 accounts due to COVID but the delay in the audit of the 2018/19 accounts has made this largely academic.

Finance

17. The Council's accountancy function consists of approximately 17.5 full time equivalent officers together with 2 interims to support the Accounts production. Wherever possible tasks will be shared or will be reallocated with resources flexed, officers have indicated they are willing to work overtime to complete deadlines.
18. In order to meet the deadlines, officers have considered the logistics of the audit to complete their work as efficiently as possible and have implemented a tracking and response document for each officer responsible, interim lead closure will then use this list to contact the team members directly for the required evidence, and on receipt, will log and update where applicable. This will have the effect of speeding up the audit completion so that officers are aware of the volume of requests that will be coming their way and be supported with any prioritisation of workload and assist officers to identify where and when additional resources are required.
19. Getting the accounts audits back on track is essential to improving the financial management and reporting of the Council, however the financial health of the authority is still very good is not affected by this.

Risks

20. There is a risk that the financial statements are incorrectly stated with consequential impacts. This is still a significant risk going forward but with dedicated experienced resources now tasked with accounts completion for 2019/20, 2020/21 and 2021/22 the risk should be mitigated to a significant extent.

Environmental

21. None arising from this report.

Equality and Diversity

22. None arising from this report.

Effect on Council Priority Areas

23. The production of annual accounts results in the publication of accurate, transparent financial information which gives a true and fair view of economic performance and financial stability.

Background Papers

Where the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require documents to be open to inspection by members of the public, they must be available for inspection:

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;

(b) on the Council's website; and

(c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

The following documents are relevant to this report:

- Final Account update – Report to Audit & Governance Committee : 1 December 2021.
- Audit of 2018/19 Accounts – Report to Audit & Governance Committee : 28 September 2021.
- Audit of 2018/19 Accounts – Report to Audit & Governance Committee : 29 July 2021.
- Audit of 2018/19 Accounts – Report to Audit & Governance Committee : 23 March 2021.

Appendices - None

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