

AUDIT AND RISK COMMITTEE

10 November 2020

STATEMENT OF ACCOUNTS 2019/20

Report of the Strategic Director for Resources

Strategic Aim:	Customer focused services	
Exempt Information	N/A	
Cabinet Member(s) Responsible:	Mr G Brown, Deputy Leader and Portfolio Holder for Planning and Finance	
Contact Officer(s):	Saverio Della Rocca, Strategic Director for Resources (s.151 Officer)	01572 758159 sdrocca@rutland.gov.uk
	Andrew Merry, Finance Manager - Technical	01572 758152 amerry@rutland.gov.uk
Ward Councillors	Not Applicable	

DECISION RECOMMENDATIONS

That the Committee approves the Statement of Accounts for 2019/20 at Appendix A including a revised version of the Annual Governance Statement

1 PURPOSE OF THE REPORT

- 1.1 This report presents the statutory Statement of Accounts (SoA) 2019/20 (Appendix A) in the form prescribed by regulations to meet the statutory requirement for the Council to approve and publish its annual statement of accounts by the end of November 2020.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The SoA is produced in line with International Financial Reporting Standards (IFRS) requirements which determine the contents and format of the Statements. There were two main adjustments made to the draft statement of accounts, with some other minor presentational changes see paragraph 3.1 for details.
- 2.2 The financial outturn reported to Cabinet on (Report 84/2020) is incorporated into the SoA and Note 1 in Appendix A reconciles the reported figure to the Comprehensive Income and Expenditure Statement and the Movement in

Reserves Statement.

- 2.3 The SoA was certified as presenting a true and fair view of the authority's financial position by the Strategic Director for Resources (Section 151 officer) by 31 August 2020 (thus complying with the Accounts and Audit Regulations 2011). The SoA together with supporting working papers were then submitted to the external auditor to start their audit on 6th July and questions and issues raised during the course of the audit were logged and responded to promptly. The external auditor will report on their findings from the audit and give their opinion on whether the accounts provide a true and fair view.
- 2.4 At the Audit and Risk Committee meeting held on 15th September 2020 a draft Annual Governance Statement was reviewed (Report 102/2020) and various suggestions were made for amendments. The Annual Governance Statement was submitted to the external auditor with the Statement of Accounts by 31 August 2020 in accordance with the regulatory requirements. The final Annual Governance Statement has been amended. The most notable changes include:
- Inserting end of year performance information;
 - Inserting the Head of Internal Audit opinion;
 - Adding in a glossary; and
 - Adding in more details in relation to external inspections including links to where reports can be found.

3 CHANGES MADE TO DRAFT ACCOUNTS PUBLISHED ON 06 JULY 2020

- 3.1 There has been some changes to the SoA since the draft accounts following comments raised by the external auditors and new information relating to the Local Government Pension Scheme (LGPS). The two key changes are noted below:
- 3.1.1 **Pension Changes** – the Local Government Pension Scheme (LGPS) is going to change for some people as a result of The Court of Appeal ruling known as The McCloud judgement. The ruling, made on 20 December 2018, found that when public service pension schemes changed in 2014 and 2015, they had discriminated on the grounds of age, by only providing protection for older members. The Government made a statement to the Treasury on 15 July 2019, announcing that, as a result of the McCloud judgment, it would 'take steps to remove the discrimination.' A Government consultation paper was released on the 16th July 2020 with proposals for removing the discrimination. The impact of these proposals would have a material impact on the Councils Pension liability so the accounts have been changed to reflect this position. The impact is that the pension liability has reduced from £40.164m to £39.960m. The reason that the liability has decreased is that the proposals have not had the impact that the actuary had previously allowed.
- 3.1.2 **Internal Recharges** – the Council coding structure classified internal recharges income as an income code, rather than netting off against expenditure. This means that in the SoA income and expenditure was overstated. The adjustment to the accounts has a zero net impact. A prior period adjustment note has been added to the accounts (Note 38) detailing the extent of the changes made for

2018/19.

4 CONSULTATION

4.1 Under the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 the public have been able to view and comment on the accounts from the 6 July 2020 until 14 August 2020. At the time of writing the report there had been no requests to view or comment on the accounts to the Council.

5 ALTERNATIVE OPTIONS

5.1 The Audit and Risk committee could choose not to approve the Statement of Accounts 2019/20 and the Annual Governance Statement. However, doing so would result in the Council not meeting its statutory duty to approve and publish audited accounts by the end of November.

6 FINANCIAL IMPLICATIONS

6.1 There are no direct implications associated with approving the Statement of Accounts.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

7.1 Section 3 of Part 3 of the Councils Constitution state that it is the responsibility of the Audit and Risk Committee to approve the Councils Annual Statement of Accounts and Annual Governance Statement.

7.2 Other than the statutory required to publish the signed audited accounts by the end of November 2020, there are no further legal considerations.

8 EQUALITY IMPACT ASSESSMENT

8.1 An Equality Impact Assessment (EqIA) has not been completed because the report does not represent the introduction of a new policy or service or a change / review to an existing policy or service.

9 COMMUNITY SAFETY IMPLICATIONS

9.1 There are no community safety implications.

10 HEALTH AND WELLBEING IMPLICATIONS

10.1 There are no health and wellbeing implications.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

11.1 This report presents the audited Statement of Accounts for the financial year 2019/20, highlights some of the key matters, and asks the Audit and Risk Committee to approve them in line with its constitutional responsibility.

12 BACKGROUND PAPERS

12.1 Financial outturn (84/2020)

12.2 Draft Annual Governance Statement (102/2020)

13 APPENDICES

13.1 Appendix A – Statement of Accounts

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.