

North Tyneside Council Report to Audit Committee Date: 20 November 2019

ITEM 6

Title: Annual Statement of
Accounts 2019/20

Report from Service: Finance

Report Author: Janice Gillespie, Head of Resources (Tel: 643 5701)

Wards affected: All

PART 1

1.1 Executive Summary:

1.1.1 The purpose of this report is to provide the Audit Committee with the plan in respect of the closure of the 2019/20 Accounts.

1.2 Recommendation(s):

1.2.1 It is recommended that the:

(a) Audit Committee note the work outlined in the plan for the closure of the 2019/20 Accounts.

1.3 Forward plan:

1.3.1 This report is included within the annual workplan for the Audit Committee.

1.4 Council plan and policy framework:

1.4.1 The Annual Statement of Accounts covers all the service responsibilities as identified within the Council Plan.

1.5 Information:

1.5.1 The Chief Finance Officer will be required to sign and certify that the Statement of Accounts present a true and fair view of the Authority's financial position for the year ended 31 March 2020 no later than 31 May 2020. An audited set of accounts is required to be approved and subsequently published by 31 July 2020. For 2018/19 these deadlines were met with the draft set of accounts signed and certified on the 31 May 2019 and an unqualified set of accounts published on the 31 July 2019.

Preparation of the 2019/20 Annual Statement of Accounts

- 1.5.2 Although the deadlines were met for the 2018/19 accounts the process was quite intense due to technical issues around pension valuations, accounting for trust schools on the balance sheet and the valuation of the Airport. However, these issues were one-off and are not expected to re-occur in 2019/20.
- 1.5.3 A session was held in October 2019 with key staff which reviewed the process that was undertaken to produce the 2018/19 accounts and identified where improvements could be made together with what went well and areas for improvement. Key risks associated with achieving the statutory deadlines have also been identified, and these will be continually monitored throughout the closedown process.
- 1.5.4 A detailed timetable has been prepared outlining the main tasks and actions that need to be taken together with who is responsible and the agreed date for completion of each item. Progress against each of the tasks is reviewed regularly. Individuals are tasked with ensuring that if there are going to be any problems in meeting the agreed dates that this is reported back to the project lead as soon as possible so that appropriate action can be taken and any impact on other deadlines can be addressed.
- 1.5.5 We are working closely with our external auditors, Ernst & Young, to determine when early testing can take place, i.e. in early 2020 several areas of the accounts can be reviewed and audited.
- 1.5.6 Regular meetings will be held with the external auditors so that any issues raised are resolved quickly.
- 1.5.7 We will continue with the good workings practices that were established for the 2018/19 accounts and did assist in the closedown process:
- Regular meetings with Valuation - a key area of the accounts due to the high value of the assets;
 - Involvement of all areas of the Authority – articles will be in Teamwork from the Chief Finance Officer outlining the role everyone has in ensuring the Accounts are produced on time and the importance of responding to any audit queries on a timely basis; and
 - Continued improvement of working papers – it is key that all working papers are of the same high standard to assist in the audit of the accounts.
- 1.5.8 Throughout the process regular meetings will be held with the Chief Finance Officer so that any issues, risks or concerns are raised on a timely basis and appropriate action can be taken to resolve them.
- 1.5.9 An update on progress will be reported to the Audit Committee in March 2020.

1.6 Decision options:

The options available are:

- (a) To accept the recommendations made in section 1.2.1.

1.7 Reasons for recommended option:

The production of an Audited Annual Statement of Accounts is a requirement of the Accounts and Audit Regulations 2015.

1.8 Appendices:

1.9 Contact officers:

Claire Emmerson – Senior Manager Financial Strategy and Planning - Tel: 643 8109
Cathy Davison – Principal Accountant – Tel 643 5727
Peter Weir– Principal Accountant – Tel 643 8066

1.10 Background information:

The following background papers and reports have been used in the compilation of this report and are available for inspection at the offices of the author:

(a) Accounts and Audit Regulations 2015

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no financial implications as a result of the recommendations within this report.

2.2 Legal

The Annual Statement of Accounts is produced annually in accordance with the Accounts and Audit Regulations 2015.

2.3 Consultation / community engagement

Consultation will take place with the key personnel and interested parties involved in the closedown process.

2.4 Human rights

There are no Human Rights implications as a result of the recommendations in this report.

2.5 Equalities and diversity

There are no Equalities and Diversity implications as a result of the recommendations in this report.

2.6 Risk management

A risk log has been set up which identifies the key risks and issues associated with the closedown process. The management of these risks are part of the overall process.

2.7 Crime and disorder

There are no crime and disorder implications as a result of the recommendations in this report.

2.8 Environment and sustainability

There are no environment and sustainability implications as a result of the recommendations in this report.