


## REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

**3 September 2020**

<b>Subject:</b>	Statement of Accounts 2018/19
<b>Director:</b>	Rebecca Maher – Head of Finance/Acting S151 Officer
<b>Contribution towards Vision 2030:</b>	
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### DECISION RECOMMENDATIONS

**That the Audit and Risk Assurance Committee:**

1. Authorises the Chief Financial Officer, in consultation with the Chair and Vice-Chair of the Audit and Risk Assurance Committee (ARAC) to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors, Grant Thornton, to ensure completion of the Statement of Accounts.

## 1 PURPOSE OF THE REPORT

- 1.1 This report presents the Statement of Accounts and accompanying Management Representation Letter for 2018/19 for approval.

## **2 IMPLICATIONS FOR SANDWELL'S VISION**

- 2.1 Each of the Council's 10 ambitions are engaged across this Report; the Council's financial status helps to underpin the Council's Vision 2030 and associated aspirations.

## **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 In accordance with the Accounts and Audit Regulations 2015, the Council's 2018/19 Statement of Accounts was approved by the Council's Section 151 Officer (Darren Carter) on 30 May 2019.
- 3.2 A copy of the unaudited accounts was displayed on the Council's website and a period of public display advertised in accordance with regulations. The accounts were placed on public display between 3 June 2019 and 12 July 2019 and were available for inspection during this period.

## **4 THE CURRENT POSITION**

- 4.1 The audited Statement of Accounts for the year ending 31 March 2019 is attached as Appendix 1. These accounts have been prepared in accordance with the International Financial Reporting Standards based Code of Practice on Local Authority Accounting. The Management Representation Letter is attached as Appendix 2.
- 4.2 Several audit adjustments have been required and these are reflected in the revised Statement of Accounts in Appendix 1. These are outlined in the Audit Findings Report, presented by Grant Thornton under a separate agenda item of this meeting.
- 4.3 The Narrative Report at the beginning of the Statement of Accounts provides a concise statement of the Council's current financial position and an explanation of the core financial statements.
- 4.4 The main reason for the delay in presenting the Statement of Accounts to the ARAC is due to the council's new auditors Grant Thornton having a different opinion about how the wholly owned company, Sandwell Land and Property (SL&P), should be presented within the accounts. This has created significant additional work for both parties. Grant Thornton will cover this further as part of the presentation of the Audit Findings Report.
- 4.5 ARAC members should be aware that the draft Statement of Accounts for 2019/20 has now been published on the Council's website and this will be presented to the committee in late November. This contains an updated financial position for the Council.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

5.1 No consultation with customers and stakeholders is necessary.

## **6 ALTERNATIVE OPTIONS**

6.1 There are no alternative options to be considered.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

7.1 The council's financial position is set out within the Statement of Accounts for 2018/19.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

8.1 The Accounts and Audit Regulations 2015 require a formal resolution by ARAC to approve its 2018/19 Statement of Accounts by 31<sup>st</sup> July 2019, however there have been some delays as detailed in the Audit Findings Report.

8.2 The audit also highlighted some legal procedural anomalies with regard to the share issues and land transfers that took place between the council and SL&P which are being rectified as a separate piece of work and do not affect the financial position reported in the Statement of Accounts.

## **9 EQUALITY IMPACT ASSESSMENT**

9.1 There is no requirement for an Equality Impact Assessment.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

10.1 There are no Data Protection issues arising from this report.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

11.1 There are no crime and disorder issues arising from this report.

## **12 SUSTAINABILITY OF PROPOSALS**

12.1 There are no issues around sustainability in this report.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

13.1 There are no health and wellbeing implications arising from this report.

## 14 **IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 There is no impact on any council managed property or land.

## 15 **CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 The Statement of Accounts for 2018/19 and Management Representation should be approved in order for the council to meet its legal obligations.

15.2 Given the possibility that issues raised either at today's meeting or subsequently may require the Statement of Accounts to be amended it is recommended that delegated powers be given to the Chief Financial Officer in consultation with the Chair or Deputy Chair of this Committee to agree any final changes to the Council's Statement of Accounts 2018/19. It should be noted that the only changes that will be made under these delegated powers will relate to amendments agreed with the Council's external auditors Grant Thornton.

## 16 **BACKGROUND PAPERS**

16.1 CIPFA Code of Practice on Local Authority Accounting and associated guidance.

## 17 **APPENDICES:**

Appendix 1 – Statement of Accounts 2018/19

Appendix 2 – Management Representation Letter 2018/19



**Rebecca Maher**  
**Head of Finance/Acting S151 Officer**