



COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	AUDIT COMMITTEE - 26 NOVEMBER 2020
Report Number	AGENDA ITEM 9
Subject	STATEMENT OF ACCOUNTS 2019/20, LETTER OF REPRESENTATION AND EXTERNAL AUDITOR FINDINGS REPORT
Wards affected	N/A
Accountable member	Cllr. Mike Every - Deputy Leader and Cabinet Member for Finance Email: mike.every@cotswold.gov.uk
Accountable officer	Jenny Poole - Chief Finance Officer Tel: 01285 623313 Email: jenny.poole@cotswold.gov.uk
Summary/Purpose	This report presents the Council's audited Statement of Accounts for the period 1 st April 2019 to 31 March 2020 to enable the Committee to consider and approve the Council's accounts.
Annexes	Annex A - Grant Thornton report – "The Audit Findings for Cotswold District Council" Annex B - Statement of Accounts 2019/20 Annex C - Audit Committee Comments and Responses - Draft Statement of Accounts Annex D - Letter of Representation
Recommendation/s	<i>a) That the Grant Thornton Audit Findings for Cotswold District Council be noted;</i> <i>b) The Statement of Accounts 2019/20 be approved;</i> <i>c) To note the officer responses to Audit Committee Comments;</i> <i>d) That the Chief Finance Officer and the Chairman of the Audit Committee be authorised to write a letter of representation on behalf of the Committee and Council to Grant Thornton to enable the opinion to be issued.</i>
Corporate priorities	Priority - Ensure that all services delivered by the council are delivered to the highest standard Principle - Value for money - we will use the council's resources wisely, but will invest in the fabric and future of the district
Key Decision	NO
Exempt	NO

Consultees/ Consultation	N/A
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1. BACKGROUND

General

- 1.1. The Council's Chief Finance Officer is responsible for ensuring that the statement of accounts is prepared and published by 31 May following the end of a year. In 'normal times' the draft Statement of Accounts would have been presented to the July meeting of this Committee for review. With the arrival of the coronavirus pandemic, the statutory date for the completion of the 'draft' accounts was moved back by Government from 31 May to 31 August.
- 1.2. The draft Statement of Accounts were presented at the July meeting of this Committee and the Accounts were 'authorised for issue' by the Chief Finance Officer on the 6th August 2020.
- 1.3. It is the role of the Audit Committee to formally approve the Statement of Accounts, consider the Grant Thornton Audit Findings Report, on behalf of the Council, following the completion of the audit process. The revised Covid-19 timescale requires this to be completed by 30 November 2020.
- 1.4. The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 ('the Code'). The Council is statutorily obliged under the Accounts and Audit Regulations 2015 to prepare its Statement of Accounts in accordance with the Code.

2 MAIN POINTS

- 2.1. At the time of writing this report, the audit is approximately 85 percent complete.
- 2.2. Attached to this report at Annex A is the Audit Findings Report for Cotswold District Council. The report details all of the work that Grant Thornton has undertaken as part of their formal audit of the accounts. It outlines the key findings and matters arising from the statutory audit process.
- 2.3. The Statement of Accounts attached to this report represents the audited accounts following the completion of the audit and incorporates a number of minor disclosure changes that are required following review by Grant Thornton. These changes include changes to notes where expanded explanation has been necessary and other minor presentational adjustments (such as correction of spelling mistakes and rounding) to improve the quality of disclosures within the accounts as detailed in the 'audit adjustments' section of the Grant Thornton report (p25) at Annex A. None of these changes affect the 'net worth' of the Council.
- 2.4. A small number of further amendments have also been made to the narrative within the accounts in response to points raised by members at the July Audit Committee meeting. A summary of the points and queries raised and Officer's responses can be seen in Annex C.
- 2.5. Grant Thornton's work in respect of Property, Plant and Equipment remains in progress and it is likely that there will be a need for both a current and prior period adjustment in respect of surplus assets. Where the Council is leasing out or providing use of the asset to third parties and there are conditions attached to these arrangements the Council's valuer has reduced the carrying value of a number of assets since the previous year. Grant Thornton are currently challenging the valuer to determine whether the prior year carrying values were materially correct as the

circumstances surrounding these arrangements have not changed from 2018/19 and this is likely therefore to result in a prior period adjustment. Further detail of any amendments agreed will be set out in an additional paper to this Committee, which will be tabled.

The letter of representation

- 2.6. To complete the Audit process the Council is required to submit a letter of representation to Grant Thornton to complement the financial statements and to outline the areas considered in stating that the financial statements give a 'true and fair view' on the account, in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and applicable law.
- 2.7. The Chair of the Audit Committee and the Chief Finance Officer are asked to sign the Letter of Representation, under Recommendation (d) to this report. Grant Thornton is not able to issue their opinion on the accounts until the letter of representation has been received.

3 FINANCIAL IMPLICATIONS

- 3.1. This report has no financial implications.

4 LEGAL IMPLICATIONS

- 4.1. The Council is required to approve its Statement of Accounts and the time for compliance with this requirement has been extended to the 30th November 2020 by virtue of the Accounts and Audit (Coronavirus) (Amendment) Regulations 2015.

5 RISK ASSESSMENT

- 5.1. If the Audit Committee does not approve the audited Statement of Accounts the Council will not comply with the Accounts and Audit Regulations 2015 as amended.

6 BACKGROUND PAPERS

- 6.1. None.

(END)