

TEIGNBRIDGE DISTRICT COUNCIL

COUNCIL

23 NOVEMBER 2020

Report Title	2019/20 STATEMENT OF ACCOUNTS INCLUDING THE ANNUAL GOVERNANCE STATEMENT
Purpose of Report	To bring the statement of accounts 2019/20, letter of representation to Grant Thornton from the Chairman of the Council and the Annual Governance Statement to Members for approval.
Recommendation(s)	That the Council resolve to (a) Approve the 2019/20 Statement of Accounts including the Annual Governance Statement and letter of representation as recommended by the Audit Scrutiny Committee subject to any final adjustments agreed with the external auditors to be reported to Council; and (b) Note the Audit Findings Report from Grant Thornton and approve the actions arising from the action plan.

Financial Implications	The financial implications are contained throughout the reports considered at Audit Scrutiny on 26 August 2020 and 21 October 2020. The main implication is that the accounts have been closed and audited and general reserves are slightly above the budgeted level anticipated at 31 March 2020 - £1.987 million. See section 3 Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk
Legal Implications	See section 5 – the Accounts and Audit Regulations 2015 set out the requirements for the production and publication and audit of the annual statement of accounts. Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk
Risk Assessment	Major risks are summarised in section 4. The most significant of these is the level of future funding from Central Government and the level of reserves held to meet future unexpected variations in income. Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk
Environmental/ Climate Change Implications	The revenue budget supports the funding of a Climate Change Officer and associated budget – see section 7. David Eaton – Environmental Protection Manager Tel: 01626 215064 Email: david.eaton@teignbridge.gov.uk
Report Author	Martin Flitcroft – Chief Finance Officer Tel: 01626 215246 Email: martin.flitcroft@teignbridge.gov.uk
Executive Member	Councillor Richard Keeling – Executive member for Corporate Resources Councillor Sally Morgan – Chairman – Audit Scrutiny Committee
Appendices	None – see links to statement of accounts
Part I or II	Part I
Background Papers	2019/20 year end files including Accounts and Audit Regulations 2015.

1. PURPOSE

To bring the Statement of Accounts 2019/20, letter of representation to Grant Thornton from the Chairman of the Council and the Annual Governance Statement to Members for approval. To note the Audit Findings Report from Grant Thornton and approve the actions arising.

2. BACKGROUND

2.1 The accounts and audit regulations 2015 set out the requirements for the production and publication of the annual statement of accounts. The statement usually has to be produced and certified by the chief finance officer by 31 May however the outbreak of Covid 19 has triggered amendments to this deadline by extending this to the end of August. Ordinarily the accounts have to be brought for full council approval after external audit and by 31 July however again this has been amended to the end of November or as soon as is practically possible. The Audit Scrutiny Committee considered the draft Statement of Accounts 2019/20 and the Annual Governance Statement at its meeting on 26 August 2020 and the final accounts (subject to audit) including the Annual Governance Statement on 21 October 2020. The 21 October Committee recommended that the Council approve these documents together with the letter of representation. The Audit Findings Report was also considered on 21 October together with future recommended actions. The report is available on the website at

<https://democracy.teignbridge.gov.uk/ieListDocuments.aspx?CId=167&MId=2797&Ver=4>

2.2 The accounts reports considered by the Audit Scrutiny Committee on 26 August 2020 and 21 October 2020 are appended for ease of reference. The Statement of Accounts including the Annual Governance Statement was circulated with the agenda for the meetings on 26 August and 21 October via a web link in the appended reports. A hard copy is also available on request from Democratic Services.

2.3 The minutes of the Audit Scrutiny Committee meeting held on 26 August and 21 October can be found on the Council's website at <https://democracy.teignbridge.gov.uk/ieListDocuments.aspx?CId=167&MId=2748&Ver=4>

2.4 The Executive considered the draft treasury management results at its meeting on 21 July 2020. The treasury management results for 2019/20 are now final with no changes. For information the minutes of the Executive meeting on 21 July can be found on the Council's website at <https://democracy.teignbridge.gov.uk/ieListDocuments.aspx?CId=135&MId=2710&Ver=4>

3. STATEMENT OF ACCOUNTS 2019/20

3.1 The audit of the statement of accounts is finalised and there are no known major adjustments to date. Grant Thornton will discuss any findings separately in their report when the audit is ready for sign off together with any final late adjustments if material. There are no adjustments required to the Strata figures consolidated into the accounts of the Council. The draft closing general reserves at 31 March 2020 of £1.987 million are an improvement on the original budget of £41,000.

- 3.2** The balance sheet shows a net worth of £17.4 million at 31 March 2020 compared to a net worth of £13.9 million at 31 March 2019. This is due mainly to an increase in capital grants unapplied and capital receipts in the year, a decrease in the pension fund deficit and an increase in the value of our property, plant and equipment.
- 3.3** The regulations require the formal approval of the accounts and this will be signified by the Chairman of the Council signing and dating the accounts on the page entitled the Statement of Responsibilities for the Statement of Accounts at the Council meeting. This statement is from the Chief Finance Officer and will be signed by him before presentation of the accounts to the council meeting.

4. RISKS

The major risks to be aware of are around future funding and the adequacy of reserves going forward as further action may be required to address the impacts of the Covid 19 pandemic. General reserves are maintained at a value higher than originally budgeted and earmarked reserves are held to help deal with future forecast funding changes and earmarked projects/schemes. Further clarity is required on the level of Government support for both this year and next. These risks may impact on the performance of treasury management and borrowing levels moving forward. Preparation and approval of the accounts are required by the Accounts and Audit Regulations 2015 and if these regulations are not adhered to the auditors could qualify the accounts.

5. MAIN IMPLICATIONS

The implications members need to be aware of are as follows:

5.1 Legal

The Financial Accounts for 2019/20 need to be produced and audited in accordance with the Accounts & Audit Regulations 2015.

5.2 Resources

The report notes that general reserves have been maintained at a level slightly higher than originally budgeted at 31 March 2020.

6. GROUPS CONSULTED

The accounts have been advertised as available for inspection and are available on the website. The external auditors have been auditing the financial records and accounts since August.

7. ENVIRONMENTAL/CLIMATE CHANGE IMPACT

The revenue budget supports the appointment of a climate change officer and associated budget.

8. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

Immediately. No call in.