

# Report to Audit Committee

15 July 2020

By the Director of Corporate Resources

**DECISION REQUIRED**



**Horsham  
District  
Council**

Not Exempt

## Statement of Accounts 2019/20

### Executive summary

It is a legal requirement of the Accounts and Audit (England) Regulations 2015 that the Statement of Accounts are approved by a resolution of the Council or the relevant Committee of the Council. In light of the Covid-19 epidemic, the statutory audit deadline for the 2019/20 accounts has been delayed to 30 November 2020. The Scheme of Delegation to Committees within the Council constitution (Part 3.2) delegates the responsibility to the Audit Committee to consider and approve the Council's Statement of Accounts.

The unaudited Statement of Accounts were prepared and published by 31 May 2020 and have been subject to external audit by EY. The Audit Results Report is also on the agenda for this meeting.

At the time of the report, three outstanding issues need to be resolved before the accounts can be approved:

- EY valuation team (EY Real Estates) report on the valuation of retail property significant risk
- EY pensions audit team – additional procedures on the triennial valuation and West Sussex Pension Fund audit report
- EY professional practice department internal consultation process on going concern disclosures

### Recommendations

That the Committee is recommended:

- i) To approve the 2019/20 Statement of Accounts, or should any of the three issues be unresolved at the date of the committee, delegate the approval to the Chairman of the Audit Committee, in consultation with the Director of Corporate Resources, to be completed before 30 November 2020.

### Reasons for recommendations

- i) It is a requirement of the Accounts and Audit (England) Regulations 2015 that the Statement of Accounts are approved by 30 November 2020.

**Background papers:** None

**Wards affected:** All

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## **Background Information**

### **1 Introduction and background**

- 1.1 It is a requirement of the Accounts and Audit (England) Regulations 2015 that the statutory Statement of Accounts are approved by a resolution of the Council or the relevant Committee of the Council. In light of the Covid-19 epidemic, the statutory audit deadline for the 2019/20 accounts has been delayed to 30 November 2020. Under The Scheme of Delegation to Committees within Part 3.2 of the Council constitution, the matter of considering and approving the Statement of Accounts has been delegated to the Audit Committee. This report provides background information to the financial statements.
- 1.2 The Statement of Accounts have been prepared following the requirements of the CIPFA Code of Practice on Local Authority Accounting 2019/20 which are based on International Financial Reporting Standards. The Statement of Accounts have been subject to audit by EY.

### **2 Relevant Council policy**

- 2.1 The Council is required to produce financial statements under the Accounts and Audit (England) Regulations 2015.

### **3 Details**

- 3.1 The audit of the draft financial statements has identified four misstatements that were greater than trivial. The audit results report sets out the significant issues and findings to bring to your attention. All four misstatement have been adjusted for. A number of other presentational inconsistencies have also been amended.
- 3.2 At the time of the report, three outstanding issues need to be resolved before the accounts can be approved: This covering report sets out the actions being undertaken by officers and the audit team to resolve these issues.
  - EY valuation team (EY Real Estates) report on the valuation of retail property significant risk
  - EY pensions audit team – additional procedures on the triennial valuation and West Sussex Pension Fund audit report
  - EY professional practice department internal consultation process on going concern disclosures.A substantial going concern note has been added at Note 32 in the statements.

### **4 Next steps**

- 4.1 The committee is asked to approve the Statement of Accounts 2019/20, or, should any of the three issues be unresolved by the date of the audit committee, delegate this authority to the Chairman of the Audit Committee, in consultation with the Director of Corporate Resources.

### **5 Outcome of consultations**

- 5.1 No consultations were required. Audit Committee Members were briefed on the Statement of Accounts and the three outstanding issues on 6 July 2020.

### **6 Other courses of action considered but rejected**

6.1 Not applicable.

## **7 Resource and legal consequences**

7.1 There are no direct resource or legal consequences arising from this report.

## **8 Risk assessment**

8.1 There are reputational risks to the Council if the Statement of Accounts are not approved by the statutory deadline of 30 November 2020.

## **9 Other considerations**

9.1 The recommended actions of this report have no impact on Crime & Disorder; Human Rights or Equality & Diversity and Sustainability.