

Notice of Meeting

Audit & Governance Committee



SURREY
COUNTY COUNCIL

Date & time

Thursday, 5
November 2020
at 10.30 am

Place

Remote

Contact

Joss Butler
Room 122, County Hall
Tel 020 8541 9702

joss.butler@surreycc.gov.uk

Chief Executive

Joanna Killian



We're on Twitter:
[@SCCdemocracy](https://twitter.com/SCCdemocracy)

Members

Mr David Harmer (Chairman), Mr Keith Witham (Vice-Chairman), Dr Peter Szanto, Mr Stephen Spence, Mr Stephen Cooksey and Mrs Victoria Young

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

3 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (*30 October 2020*).
2. The deadline for public questions is seven days before the meeting 29 October 2020).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

4 STATEMENT OF ACCOUNTS 2019/20

(Pages 1
- 4)

To inform the Committee of the result of the external audit of the council's 2019/20 Statement of Accounts, to receive the external auditor's final Audit Findings Report and to approve the council's letter of representation from the Executive Director of Resources.

Appendices to follow:

- A Statement of Accounts
- B Audit Findings report
- C Letter of Representation

5 DATE OF NEXT MEETING

The next meeting of Audit & Governance Committee will be on 26 November 2020.

Joanna Killian
Chief Executive
Published: 28 October 2020

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Audit & Governance Committee
5 November 2020

Statement of Accounts 2019/20

Purpose of the report:

To inform the Committee of the result of the external audit of the council's 2019/20 Statement of Accounts, to receive the external auditor's final Audit Findings Report and to approve the council's letter of representation from the Executive Director of Resources.

Recommendations:

It is recommended that the Committee:

1. Approve the 2019/20 Statement of Accounts , as attached in Annex A, for publication on the council's website and in a limited number of hard copies;
2. Consider any amendments since the 1 October Audit and Governance Committee meeting to the contents of the 2019/20 Audit Findings Report in Annex B;
3. Approve the Executive Director of Resources' letter of representation, which is attached in Annex C;
4. Determine if any issues in the Audit Findings Report should be referred to the Cabinet.

Introduction:

1. The Executive Director of Resources has approved the statement of accounts for 2019/20 as presenting a true and fair view of the county council's financial position as at the 31 March 2020 and its income and expenditure for the year. The accounts are attached at Annex A to this report for Member debate and approval.
2. The auditor has provided a commentary and recommendations on the statement of accounts in their Audit Findings Report (attached as Annex B).
3. The auditor anticipates issuing an unqualified opinion on the financial statements.

The Statement of Accounts 2019/20

4. The Local Audit and Accountability Act 2014 normally requires the Statement of Accounts for 2019/20 to be published by 31 July, and that they are approved, prior to this date, by a non-executive committee of the local authority. For 2020 this deadline has been extended to the 30 Nov in light of the COVID-19 crisis.
5. The s151 officer is responsible for the preparation of Surrey County Council's single entity statement of accounts, the Surrey County Council group accounts, the pension fund statement of accounts and the firefighters' pension fund accounting statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code).
6. The Code is a very prescriptive document, and determines not only the accounting policies to follow, but also the form and content of the statement of accounts. The Code is based on International Financial Reporting Standards (IFRS's) issued by the International Accounting Standards Board. Local authorities have a legal obligation to follow "proper accounting practice", this therefore means that compliance is mandatory.
7. Any significant departure from The Code will normally result in a qualified audit opinion.

Accounting Changes 2019/20

8. The 2019/20 Code of Practice on Local Authority Accounting had no significant changes in accounting policies.
9. Annex A presents the 2019/20 Statement of Accounts. Draft accounts were produced and presented for audit by the end of May 2020.

2019/20 Audit Findings

10. The Audit Findings Report summarises the findings of the 2019/20 audit. It includes the messages arising from the audit of the statement of accounts and the results of the external auditor's work undertaken to assess the council's arrangements to secure value for money in the use of resources.
11. The external auditor's 2019/20 report is presented in Annex B and sets out a summary of the work carried out during the audit of the accounts, the conclusions reached and recommendations.
12. At the beginning of the audit the auditors produce an audit plan, which was reported to the Audit & Governance Committee in April 2020. The accounts were presented at the Audit & Governance Committee on 1 October 2020. There have been no substantial changes to the accounts since that meeting. The audit plan identified areas of significant risk of material misstatement. The audit findings report summarises the work completed in relation to these risk areas.
13. Appendix A of the Audit Findings Report identifies changes to the Statement of Accounts.

Conclusions:

14. Following the changes included above, and the results of the audit, the accounts are now presented to this Committee for approval.

Financial and value for money implications

- 15. There are no direct financial implications of this report, all financial implications in the accounts have been made in line with the Code of Practice and any impact on the 2019/20 budget has been considered in the outturn report to the Cabinet.

Equalities and Diversity Implications

- 16. There are no direct equalities implications of this report.

Risk Management Implications

- 17. There are no direct risk management implications of this report.

Next steps:

- 18. The statement of accounts will be published in line with the statutory deadline. The only changes made to the published version will be presentational, with the accounts typeset into a booklet style. A small number of hard copies will be produced. However, a version of the statements will also be posted on the council's website, and again some of the formatting may change to ensure it complies with the council's accessibility standards.

Report contacts: Mark Hak-Sanders, Strategic Finance Manager (Corporate)

Contact Details: Mark.Haksanders@surreycc.gov.uk

Sources/background papers:

2019/20 Financial Outturn Report – Cabinet 26 May 2020.

The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20
CIPFA

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