



**Audit and Standards Advisory
Committee**
26 May 2020

Report from Director of Finance

Draft Statement of Accounts for the year 2019/20

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	One: 2019-20 Draft Statement of Accounts – Please note the Draft Statement of Accounts will be circulated “To Follow”
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Daniel Omisore Deputy Director of Finance Email: Daniel.Omisore@brent.gov.uk Tel: 020 8937 3057

1.0 Purpose of the Report

- 1.1 This report presents the Council’s draft 2019/20 Statement of Accounts to members of the Audit & Standards Committee for noting prior to submission to external audit.

2.0 Recommendation(s)

- 2.1 That the Committee notes the draft Statement of Accounts for 2019/20 (which will be circulated as a “To Follow document) and approves its submission to external audit.

3.0 Detail

Regulation

- 3.1 Prior to the outbreak of the recent pandemic the Accounts and Audit (England) Regulations 2015 required that the Director of Finance should by the 31 May following the year end, sign and date the draft Statement of Accounts, and confirm that they present a true and fair view of the financial position as at the

year ending 31 March. The final audited accounts are then typically approved by the Council (or a delegated body) following the external audit but no later than 31 July of the same year.

3.2 With the challenges facing Local Authorities and their finance teams at this time, MHCLG recently announced a relaxation of these deadlines. They have confirmed that applicable from 30 April (for FY2019-20 only) the draft accounts must be approved by 31 August 2020 and final, audited, accounts by 30 November 2020.

3.3 The regulations implementing these measures were laid on 7 April and came into force on 30 April 2020. They can be found here:

<http://www.legislation.gov.uk/ukxi/2020/404/contents/made>

3.4 However, given that remote working arrangements have so far been successfully implemented, the Council has opted to continue to work to the normal timeframes. This approach will ensure finance staff are free to focus on the COVID-19 recovery, budget setting and the Medium Term Financial Plan (MTFP) later in the year without the constraints of auditing accounts. This may also help to alleviate resource pressure for auditors as it is expected that a number of Council audits may now converge at the same time later in the year.

Statement of Accounts

3.5 The draft statement of accounts have been prepared under International Financial Reporting Standards (IFRS) in accordance with the Code of Practice on Local Authority Accounting in the UK (The Code) and is comprised of a narrative statement, core statements (balance sheet, cash flow statement, comprehensive income and expenditure statement), notes to the accounts, group accounts, pension fund accounts and auditors certificate.

4.0 Financial Implications

4.1 The narrative statement included in the draft accounts provides a detailed commentary on the council and its performance during the year, its main objectives and strategies and the principle risks that it faces.

5.0 Legal Implications

5.1 The Accounts and Audit Regulations 2015 ([updated 7 April 2020](#)) requires that the Director of Finance must, no later than 31 August following the end of the year, sign and date the draft Statement of Accounts, and certify that it presents a true and fair view of the Council's financial position at the end of the year it relates, and of the Council's income and expenditure for the that year. This report and the appendices therefore fulfils the statutory requirements of the Accounts and Audit Regulations 2015.

5.2 As noted in paragraph 3.4 the Council has opted to maintain the original reporting timeframes by producing the draft accounts by the end of May 2020 and set a target of the end of July 2020 for the final audited group accounts. A consequence of this approach is the requirement for the public inspection

period to commence on or before the first working day in June 2020 (to include the first 10 days in June).

6.0 Equality Implications

6.1 There are no specific equality implications arising from this report.

Related Documents:

Letter to all Chief Executives dated 22 April 2020 - The Accounts and Audit (Coronavirus)(Amendment) Regulations 2020

Report sign off:

Minesh Patel
Director of Finance