

Wiltshire Council

Audit and Governance Committee

10 February 2021

Subject: Statement of Accounts 2019/20

Executive Summary

This report presents an update on the progress of the Statement of Accounts 2019/20 and audit process.

Proposal(s)

- a. To note the position of the accounts and audit process for the Statement of Accounts 2019/20.

Reason for Proposal(s)

The responsible financial officer is required to approve and publish the Statement of Accounts for the council by the deadlines set out in regulation, or as soon as reasonably practicable after the receipt of the auditor's final findings. The statutory deadline for the 2019/20 Statement of Accounts approval was 30 November 2020.

Andy Brown

Interim Corporate Director for Resources (S.151 Officer)

Wiltshire Council

Audit and Governance Committee

10 February 2021

Subject: Statement of Accounts 2019/20

Purpose of Report

1. This report presents an update of the accounts and audit process for the Statement of Accounts for the financial year 2019/20 following the delay in expected receipt of the final audited accounts from November 2020.

Relevance to the Council's Business Plan

2. The responsible financial officer is required to approve and publish the Statement of Accounts for the council by the deadlines set out in regulation, or as soon as reasonably practicable after the receipt of the auditor's final findings.

Background

3. The Statement of Accounts for the financial year 2018/19 was presented to Audit and Governance Committee for final approval at its meeting on 18 November 2020 following an extended audit process.
4. During this meeting it was agreed to defer the approval of the 2019/20 accounts to the Audit and Governance Committee meeting on 10 February 2021 as the audit process had not been completed to conclusion. This was in part due to the focus on progressing the resolution of outstanding audit queries and bringing the audit of the 2018/19 accounts to conclusion, as well as recognising the limited technical capacity and experience of resources within the council at the time and the difficulties in progressing the audit process remotely.
5. During the latter part of December 2020, it became apparent that a significant proportion of audit queries on the 2019/20 accounts remained outstanding. A meeting was held between Deloitte, the council's external auditors, and council officers and due to the limited resources available to complete audit field work, and the appropriate review processes required before publication of papers it was agreed that to continue to work towards the February Audit and Governance Committee date for audit conclusion and a recommendation to approve the accounts was unachievable.

Next Steps – Plan of action

6. It should be made clear that the concluding of the 2019/20 accounts and audit process to present for approval by Audit and Governance Committee is an important issue that needs resourcing. As previously reported there have been difficulties in appointing to the vacant Chief Accountant post however

following two failed recruitment processes, we can confirm that a new officer has been appointed and started in post on 25 January 2021.

7. In addition to this an experienced local government resource has been appointed through an agency for a short-term period to support resolution of the outstanding issues on the accounts. This gives greater confidence that resources within the council will be available to support this work to conclusion.
8. A full review has been undertaken in liaison with Deloitte and all outstanding audit queries are actively being addressed and an agreement of evidence to be provided is being agreed. Alongside this an additional full internal quality assurance check has been carried out to ensure no material errors or misstatements are present in the 2019/20 accounts.
9. Meetings have been set up between the section 151 officer and the audit partner to ensure full oversight of the audit process and to ensure all outstanding issues are resolved and the audit can be concluded, with a view to presenting the final audited 2019/20 Statement of Accounts to the Audit and Governance Committee at its next meeting in April.

Overview and Scrutiny Engagement

10. No overview and scrutiny engagement has taken place due to the statutory nature of the annual accounts process and those charged with governance i.e. Audit and Governance Committee, are responsible for the review and approval of all matters concerning the annual accounts.

Safeguarding Implications

11. There are no safeguarding implications associated with this report.

Public Health Implications

12. There are no public health implications associated with this report.

Procurement Implications

13. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

14. There are no equalities impacts arising from this report.

Environmental and Climate Change Considerations

15. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

16. The annual accounts are required to be approved as part of the overall statutory requirement of the annual accounts process. If the accounts and audit process is not finalised the process for 2019/20 will not be able to be concluded.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

17. Additional work is required by both council and audit staff to address the outstanding audit queries and complete the audit process. As with 2018/9 the extended time to complete the audit is likely to result in additional audit fees being incurred. The audit is a statutory function and accounts must be prepared in accordance with regulation to represent a true and fair view of the financial position of the council.

Financial Implications

18. The financial implications have been set out in the body of this report. Additional technical accountancy resource has been appointed with the permanent appointment of a Chief Accountant and additional local government experienced resource through an agency for short-term support to address to resolution the outstanding issues on the 2019/20 accounts, and to also address the outstanding technical historic account balances which resulted in the 'except for' qualification of the 2018/19 accounts in time for the lifting of this 'except for' qualification for the 2020/21 accounts process.

Legal Implications

19. There are no legal implications associated with this report.

Workforce Implications

20. There are no workforce implications associated with this report.

Options Considered

21. To continue to work towards the February Audit and Governance Committee date for audit conclusion and a recommendation to approve the 2019/20 accounts was simply unachievable. It is therefore appropriate to report this update to the Audit and Governance Committee and set out the commitment that is made to addressing the delay in this process.

Conclusions

22. The Committee are recommended to note the position of the accounts and audit process for the Statement of Accounts 2019/20.

Andy Brown

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Background Papers

The following documents have been relied on in the preparation of this report:

Draft Statement of Accounts 2019/20