



Coventry City Council

# Public report

Audit and Procurement Committee

30 November 2020

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources - Councillor Brown

**Director Approving Submission of the report:**

Director of Finance

**Ward(s) affected:**

All

**Title:**

Audited 2019/20 Statement of Accounts and Audit Findings Report

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**Is this a key decision?**

No

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**Executive Summary:**

The purpose of this report is to gain Audit & Procurement Committee's approval for the audited 2019/20 Statement of Accounts and Grant Thornton's Audit Findings Report provided alongside the accounting statements. The Audit & Procurement Committee is approving these accounts on the Council's behalf. This follows an extension to the period of audit by Grant Thornton to 30<sup>th</sup> November in line with national regulation. The original deadline to complete and authorise the Statement of Accounts was 31<sup>st</sup> July.

**Recommendations:**

**Audit and Procurement Committee is recommended:**

- 1) To consider and approve the final 2019/20 Statement of Accounts.
- 2) To consider and accept Grant Thornton's Audit Findings Report provided alongside the accounting statements.
- 3) To endorse that delegated approval be given to the Director of Finance in consultation with the Chair of Audit and Procurement Committee to agree any final changes to the Statement in the event that any of the items outstanding with the audit are not resolved before the Committee meets on 30<sup>th</sup> November;

**List of Appendices included:**

The final Statement of Accounts incorporating the agreed changes will be available prior to or at the meeting subject to any changes that may be outstanding as a result of the final stages of the audit. At the time of writing the Statement is still being finalised and will be sent under separate cover to this report.

This report is presented alongside the External Auditor's Audit Findings Report which details the key changes to the draft Statement of Accounts published on the Council's website in June. Due to the changes required as part of the COVID-19 pandemic, the Audit and Procurement Committee did not have the opportunity to consider the draft statement at that point. The changes made to the draft statement have been agreed between Grant Thornton and the Director of Finance subject to a final audit process.

**Background Papers**

None

**Other useful documents:**

Final Accounts Working papers.

**Has it been or will it be considered by Scrutiny?:**

The Audit and Procurement Committee will consider the Statement.

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?:**

No

**Will this report go to Council?:**

No - The Audit & Procurement Committee is approving the City Council's Statement of Accounts on the Council's behalf.

## **Report title:** Audited 2019/20 Statement of Accounts

### **1. Context (or background)**

- 1.1 In recent years, the Accounts and Audit Regulations 2015 have required the Council to publish its draft Statement of Accounts by 31<sup>st</sup> May and to approve and publish its audited accounts by 31<sup>st</sup> July. In the light of events this year, the Government passed the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 which have the effect of needing draft accounts to be published by 31<sup>st</sup> August and the final statement audited and published by 30<sup>th</sup> November.
- 1.2 Responsibility for approving the Council's Statements has been given to the Audit & Procurement Committee, which has become the key body in respect of understanding, analysing and discussing the content of these statements.
- 1.3 The Council published its draft statement on 26<sup>th</sup> June, two months before the statutory deadline. As a change to previous years and due to the unusual circumstances caused by the COVID-19 pandemic, the decision was taken for the draft accounts to not be considered by Audit & Procurement Committee. Instead the decision has been taken for the Committee to consider the final audited statement alongside the external auditor's Audit Findings Report.
- 1.4 Notwithstanding the extended timescales for completing the accounts and the external audit review, there have been delays to the audit process this year. This has been down to a variety of factors including: practical issues with undertaking audit work in a 'virtual' way; additional work required of the auditors including that insisted upon by the Financial Reporting Council in relation to the valuation of Property, Plant and Equipment; well publicised pressure on the auditing sector which have been outlined in the recent Redmond Review; and delays elsewhere in the process, for instance in the completion of pension fund accounts and those of the Council's companies. As a result, there remains a possibility (at time of writing) that a small number of issues may require resolution after the Audit and Procurement Committee has met. In line with common practice elsewhere, the proposal in this report is that any such issues are approved by the Director of Finance in consultation with the Chair of Audit and Procurement Committee under the delegated approval of the Committee.

### **2. Options considered and recommended proposal**

- 2.1 This report is presented alongside the Audit Findings Report of the Council's external auditors Grant Thornton which details any significant changes to the draft accounts published in June. These changes have been agreed between Grant Thornton and the Director of Finance. This report includes recommendations to approve the accounts and to accept the Audit Findings Report which will be presented by Grant Thornton alongside the Statement of Accounts. The Audit and Procurement Committee is being recommended to approve the Statement of Accounts and endorse the Audit Findings Report
- 2.2 The Committee is also recommended to give delegated approval to the Director of Finance in consultation with the Chair of Audit and Procurement Committee to agree any final changes to the Statement in the event that any of the items outstanding with the audit are not resolved before the Committee meets on 30<sup>th</sup> November.
- 2.3 A decision not to agree these recommendations would result in delays to the Council having an approved accounting statement beyond the statutory deadline.

**Report author(s):****Name and job title:**

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