

STATEMENT OF ACCOUNTS PROGRESS UPDATE AND REQUEST FOR AN ADDITIONAL MEETING OF THE COMMITTEE

To: **Audit and Accounts Committee**
Date: 24th September 2019
From: Jon Lee (Head of Integrated Finance Services, LGSS)
Electoral Division(s): All

Purpose:

To provide an update on progress of the audit of the 2018/19 Cambridgeshire County Council Statement of Accounts.

Recommendation:

The Audit and Accounts Committee is asked to:

1. Note and comment on the contents of the report;
2. To agree to convene an additional Audit and Accounts Committee meeting in October with the final accounts being the single agenda item to include the auditors report to those charged with governance (ISA 260 report).

<i>Officer contact:</i>
Name: Jon Lee
Post: Head of Integrated Finance Services
Email: jolee@northamptonshire.gov.uk
Tel: 07921 940444

1. BACKGROUND

- 1.1 Previous Audit and Accounts Committee meetings have considered updates as to the status of the 2018/19 Statement of Accounts planning and production process and the external audit of those accounts.
- 1.2 This report provides a further update on the progress of the audit and the production of the final version of the 2018/19 Statement of Accounts.

2. 2018/19 STATEMENT OF ACCOUNTS UPDATE

2.1 Overall Position

- 2.1.1 Good progress has been made on the audit of the accounts, although the audit is not yet concluded.
- 2.1.2 As the 31 May deadline for the draft statement of accounts was not met, the audit has been undertaken in two phases. The initial audit period in June enabled a substantial proportion of the audit to be progressed by the external audit team (EY) and Officers. However it was not possible to conclude the audit over the initial planned period. This has been outlined to the Committee at previous meetings.
- 2.1.3 The second phase of the audit began in mid August and is ongoing. The main areas of the audit where work continues are:
 - a) **Private Finance Initiatives** –EY’s technical team has been reviewing these agreements and the accounting treatment and have raised some clarifications which are being worked through;
 - b) **Minimum Revenue Provision (MRP)** – again a technical accounting area where EY has asked for some clarifications, such as the MRP policy and the detail of the calculations, which Officers are responding to;
 - c) **Bank Reconciliations** – further information has been requested in respect of these, which has been provided for EY for audit;
 - d) **Payroll Reconciliations** – request for further information to verify payroll balances. Further information is being collated by Officers and will be provided to EY;
 - e) **Sample testing** – ongoing in some areas such as payables, mileage and expenses, exit packages and agency staff. Initial responses

have been provided for EY to review, with the payables sample still being collated; and

- f) **Accounts Payable** – further audit queries have been raised in respect of some of the accounts payable processes which have been responded to by Officers.

- 2.1.4 As the audit work progresses to conclusion, there may be further queries and clarifications raised by the auditors to enable them to conclude the audit. The Committee will be updated with the latest position at the meeting.
- 2.1.5 Given the position of the audit and final accounts, it is recommended that an additional Committee meeting be scheduled in October. This meeting would consider the final accounts and the external auditor's report (ISA 260 report). It is hoped to be able to confirm the likely date by the time of the meeting. The alternative would be to include the final accounts and audit report at the next scheduled meeting in November. The Committee need to agree one of these proposals.

2.2 Committee Action Log Update

- 2.2.1 The draft 2018/19 Statement of Accounts was presented to the Committee at the meeting on 11th June 2019. Members commented on a number of points in relation to the draft accounts and also raised queries on some areas. These were recorded in the Action Log for the meeting.
- 2.2.2 Responses and updates to the Action Log items are included in Appendix 1 to this report.

2.3 Additional Feedback and Queries Update

- 2.3.1 At the Committee meeting on 11th June 2019 Members agreed a delegation to the Chairman and Vice Chairman to further review the draft 2018/19 Statement of Accounts after the meeting and to provide Officers with additional suggested changes.
- 2.3.2 Management has continued to review the draft Statement of Accounts, which has identified some further required adjustments.
- 2.3.3 A list of the items raised by both reviews, along with responses and updates, are included in Appendix 2. Where relevant, amendments will be factored into the final set of accounts.

Source Documents	Location
N/a	

