

DERBYSHIRE COUNTY COUNCIL**AUDIT COMMITTEE****23 July 2019****Report of the Director of Finance & ICT****STATEMENT OF ACCOUNTS 2018-19****1 Purpose of the Report**

To seek approval for the Statement of Accounts 2018-19.

2 Information and Analysis

The Accounts and Audit Regulations 2015 require the Director of Finance & ICT to certify the pre-audit Statement of Accounts by 31 May and the Audit Committee to approve the post-audit version by 31 July.

The certified pre-audit Statement of Accounts were submitted to the Council's external auditors, Mazars, on 31 May 2019. At Audit Committee on 20 June 2019, a detailed presentation, followed by a Question and Answer Session, took place to explain the Statement of Accounts in more detail and respond to any particular queries Members had.

Under the Local Audit and Accountability Act 2014 (Sections 25 to 28) and the Accounts and Audit Regulations 2015 (Regulations 10, 14 and 15), the Council's accounts for the year ended 31 March 2019 and certain related documents (comprising books, deeds, contracts, bills, vouchers and receipts) were made available for public inspection from 1 June 2019 to 12 July 2019, Monday to Friday. One query was received, in relation to two grants awarded under the Community Priorities Programme (CPP) and seven projects supported under the Community Leadership Scheme (CLP). The enquirer visited the Council to inspect CPP Cabinet papers and grant application forms and was interested in the grant approval and assurance process. A challenge to the accounts was received by Mazars on 11 July 2019. The elector challenged whether arrangements in place were sufficiently adequate to ensure that a grant provided under the CPP, and grants provided under the CLP, delivered value for money. This challenge is being considered by the auditor at the time of writing.

The core financial statements in the Statement of Accounts are:

- Comprehensive Income and Expenditure Statement (CIES)
- Balance Sheet
- Cash Flow Statement
- Movement in Reserves Statement (MiRS)

- Pension Fund Accounts
- Annual Governance Statement

The approved Statement of Accounts will be reported to full Council in September. The Pension Fund Accounts will be reported to the Pensions and Investment Committee in August.

A copy of the audited Statement of Accounts is appended to this report at Appendix One. The included Annual Governance Statement is in draft form and will be presented in a further report at this meeting.

Details of changes made to the pre-audit Statement of Accounts are included at Appendix Two.

The International Standard on Auditing ISA 580 requires the Council to provide a Management Representation Letter to the external auditors. The letter outlines the responsibilities of those charged with governance. Separate letters have been provided in respect of the Council's Accounts and the Pension Fund Accounts. These letters are still to be finalised but drafts are included at Appendix Three and Appendix Four, respectively.

3 Financial Considerations

Details are set out in the report and appendices.

4 Legal Considerations

The audited Statement of Accounts must be approved by the Audit Committee by 31 July in accordance with the Accounts and Audit Regulations 2015.

5 Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

6 Background Papers

Papers held in Technical Section, Finance & ICT Division, Room 137.

7 Officer's Recommendation

That Audit Committee approves the Statement of Accounts 2018-19.

PETER HANDFORD
Director of Finance & ICT