

Regulatory and Audit Committee

Title: Statement of Accounts for the year ended 31 March 2019

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Electoral divisions affected: All

Summary

To present Grant Thornton's draft report on any significant findings from its audit of the Council's Statement of Accounts and Pension Fund.

On 21 May 2018 this Committee received the Unaudited Statement of Accounts for the Council and Pension Fund. At that stage the audit of the accounts had not commenced. Representatives from Grant Thornton will provide an update on their findings at the meeting as detailed in their Audit Findings Report for 2018-19.

At the previous meeting of this committee the Pension Fund accounts were reviewed and agreed, these are now attached at the end of the BCC accounts for information. The committee will need to formally sign off the Pension Fund accounts today.

Subject to the satisfactory resolution of the normal audit processes, we anticipate that Grant Thornton will provide **an unqualified opinion** on the financial statements for the Council and Pension Fund.

Value for money conclusion

The Council is responsible for putting in place proper arrangements to:

- secure economy, efficiency and effectiveness in the use of resources;
- ensure proper stewardship and governance; and
- review regularly the adequacy and effectiveness of these arrangements.

Grant Thornton provide a VFM conclusion based on whether the Council has proper arrangements in place for securing financial resilience and whether the Council has proper

arrangements for challenging how it secures economy, efficiency and effectiveness in the prioritisation of resources.

Due to the outcome of the recent Ofsted inspection of Children's Services Grant Thornton have concluded that 'except for the matter we identified in respect of children's services, the Council has proper arrangements in all significant respects'. Therefore Grant Thornton propose to give the Council a qualified 'except for' conclusion on the arrangements for securing economy, efficient and effectiveness in its use of resources.

Recommendation

That the Committee considers its response to the matters raised by Grant Thornton in their Audit Findings Report 2018-19 and agrees that the Statement of Accounts for Buckinghamshire County Council and Pension Fund for the financial year ended 31 March 2019 can be signed by the Chairman of this Committee.

That the Committee approves the Letters of Representation on behalf of the Council and Pension Fund and agrees that they can be signed by the Chairman of this Committee.

That the Committee agrees the response to the proposed action plan within the Audit Findings Reports for the Council and Pension Fund.

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Since the last meeting of this committee in November these are the main adjustments to the financial statements that have been made as a consequence of the audit and have been agreed with Grant Thornton:

Property, Plant & Equipment Revaluations

As discussed at the previous meeting of this committee an obligation now exists to prove that the valuation of the assets in the Council's Balance Sheet is materially correct as at the Balance Sheet Date. To meet this obligation the Council has undertaken an indexation exercise to revalue the c.80% of assets that have not been revalued during the 2018/19 financial year.

A large part of this revaluation exercise relates to prior years, therefore it has been necessary to restate the prior year (2017/18) Balance Sheet. There was a £40.254m increase in PPE and a corresponding (£40.254m) posting to Unusable Reserves.

There has also been an impact to the CIES of £40.456m, changing the Surplus on Revaluation of Non-Current Assets from £63.820m to £104.276m

This restatement has also affected note 15 Property, Plant & Equipment and note 26 Unusable Reserves.

There was no overall impact on the General Fund balance. A number of other disclosure items have also been amended as listed within the Audit Findings Report. A copy of the Statement of Accounts as amended and to be approved is included as part of the papers.

Supporting information to include the following if a decision is being requested:

Resource implications

The overall position on the General Fund reserve is a decrease of £0.973m to £26.420m. Earmarked reserves have reduced by £17.211m to £82.024m. The overall outturn has not changed following the audit.

Legal implications

None

Other implications/issues

None

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

None

Background Papers

Statement of Accounts for the year ended 31 March 2019 – BCC

Letter of Representation – BCC (to be provided by Grant Thornton)

Draft Audit Findings Report 2018-19- BCC (to be provided by Grant Thornton)
