



Report to Audit and Governance Committee

Date: 18th November 2020

Title: **Buckinghamshire County Council and Pension Fund
Statement of Accounts 2019/20**

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Recommendations: Members are requested to:

- (i) Review the Buckinghamshire County Council Statement of Accounts 2019/20 (Appendix 1) and raise any issues which will provide the assurance needed to approve the Statement of Accounts.
- (ii) Consider and note the audit progress and findings report from Grant Thornton (Appendix 2).
- (iii) Approve the Letter of Representation in the capacity of those charged with Governance.
- (iv) Subject to the above, approve the Statement of Accounts for 2019/20.
- (v) Authorise the Service Director – Corporate Finance (& S151 Officer), following consultation with the Chair, to make any final amendments to the Accounts arising from outstanding audit work prior to the approval of the final accounts.
- (vi) Authorise the delegation of the final sign off to the Chair and the Service Director – Corporate Finance (& S151 Officer), if no material amendments to the main financial statements have been required.

Reason for decision:

This report presents the Statement of Accounts for 2019/20, which are required to be considered by the Committee and approved.

1. Executive summary

- 1.1 The Accounts and Audit Regulations 2015 require Local Authorities to prepare a Statement of Accounts in accordance with proper accounting practice and are required to be approved and signed by the Council's Audit & Governance Committee.
- 1.2 Due to Covid-19, the statutory deadline for completion of the draft Statement of Accounts was postponed from 31st May 2020 to 31st August 2020. The publication of the audited statement has been postponed from 31st July 2020 to 30th November 2020.
- 1.3 Closing the 2019/20 Statement of Accounts and audit has been done under the challenging circumstances of lockdown due to the pandemic. The draft statement of accounts was published on the Council's website on 28th August, meeting the revised statutory deadline. The public inspection period for the accounts was from 1st September 2020 to 12th October 2020 and has now ended.
- 1.4 The audit of the accounts commenced in September and at the time of writing this report, the plan is that the audit fieldwork will be substantially complete followed by closing procedures and final reviews with a view to sign off of the audit soon after the Audit Committee meeting on 18th November. The audit of the Pension Fund Accounts has been completed. The audit of the main accounts is expected to be completed by the statutory deadline of the 30th November 2020.
- 1.5 In accordance with the International Standard on Auditing (ISA) 260, the External Auditor (Grant Thornton) prepares a detailed record of all matters arising from the audit of the Statement of Accounts. This Report is attached as Appendix 2. As you will note the Auditors opinion on the financial statements is yet to be confirmed at the time of writing this report and, therefore, not included in the Statement of Accounts.

2. Content of report

- 2.1 The Statement of Accounts outlines the Council's financial performance for the year. The accounts provide public information on the Council's financial performance and are a key element of this performance review process by which the Council is held accountable to the public for the proper management and stewardship of financial resources. The key financial sections within these accounts are summarised below.

Significant movement between draft accounts and final accounts

2.2 Buckinghamshire County Council

These are the main adjustments that have been made to the accounts as a consequence of the audit and have been agreed with Grant Thornton:

Long-Term Assets – Note 15 Property, Plant and Equipment – asset value decreased from £1,466m to £1,461m. This is due to an error on the revaluations of the assets. Note 19 Investment Properties – asset value decrease from £188m to 187m. This is due to an error on the revaluations of the assets. This amendment has also affected the Balance Sheet, reducing the Long-Term Assets from £1,685m to £1,679m. There is no impact on the bottom line.

Leases - Authority as a Lessor - Operating Leases – Leases relating to our investment properties had been omitted from this note. In the draft accounts we had reported having £6.942m of operating leases. Having reviewed and reworked the information we are now reporting to have £61.989m over the life of the leases and £9.192m due within the next financial year 20/21. This is a presentational error. All income relating to these leases have been accounted for correctly, however. This adjustment does not affect the bottom line.

2.3 Pension Fund

There have not been any amendments to the main statements of the pension fund.

Investments – Note 9 – The bottom line for this note has not changed but the presentation of the numbers within the table have been amended to ensure correct categorisation of the investment figures.

Additional Financial Risk Management Disclosures – Note 13 – Market price Sensitivity Analysis table. The numbers within this table have not changed however the table did not cast correctly. This has been amended

Actuarial Position of the Fund – Note 17 – Incorrect Financial assumptions as used by Barnett Waddingham had been report in the draft accounts. These have not been amended

3. Legal and financial implications

3.1 There have been some adjustments to the Statement of Accounts during the audit (details above). None of these have impacted on the outturn position and, therefore, no change to the General Fund Reserves as compared to that previously reported in the draft accounts.

3.2 The overall position on the General Fund reserve is an increase of £4.534m to £30.954m. The increase is due to an underspend of £534k and a budgeted contribution of £4m. Earmarked reserves have reduced by £8.249m to £89.634m (with £14.034m earmarked for Schools). The overall outturn and level of General Fund reserves has not changed following the audit. These reserves are rolled forward into the new authority.

4. Consultation with local councillors & community boards

4.1 N/A.

5. Communication, engagement & further consultation

5.1 N/A

6. Next steps and review

6.1 The outstanding work on audit will be finalised over the coming weeks and any amendments resulting from this work will be actioned before the accounts are signed by the Chair of the Committee and S151 Officer.

7. Background papers

8.1 Appendix 1: Statement of Accounts
Appendix 2: Auditors Report for BCC
Appendix 3: Auditors Report for the Pension Fund

8. Your questions and views (for key decisions)

8.1 N/A

