

NORTH YORKSHIRE COUNTY COUNCIL**AUDIT COMMITTEE****22 July 2019****Report following the detailed review of the draft Statement of Final Accounts
(incorporating the Annual Governance Statement) for 2018/19****1.0 Purpose of the Report**

- 1.1 To advise members of the Audit Committee on:
- i. Issues identified during the detailed review of the draft Statements of Final Accounts (SoFA) and the draft Annual Governance Statement (AGS) for 2018/19;
 - ii. Actions taken as a result of issues being identified;
 - iii. Offering an opinion on the draft SoFA and draft AGS for 2018/19 in advance of the Audit Committee being asked to approve them.

2.0 Background

- 2.1 On 21 June 2019 the Audit Committee considered a report which provided a draft Statement of Final Accounts (SOFA) for 2018/19. The SOFA also included a draft Annual Governance Statement (AGS) for 2018/19.
- 2.2 In order to fulfil its responsibilities, the Audit Committee needs to be able to satisfy itself that the SOFA properly reflects the financial position of the Council and the governance and internal control processes described in the AGS are in fact both operational and effective.
- 2.3 It was agreed that a Members Working Group, consisting of the Chairman and Vice-Chairman of the Audit Committee, Mr David Portlock and Mr Nick Grubb, be convened to give detailed consideration of the draft SOFA/AGS and that a report would be presented to the full Audit Committee on 22 July 2019.
- 2.4 This report provides a summary of the detailed review of the draft SOFA for 2018/19 which incorporate the AGS.
- 2.5 It should be noted that the Members Working Group has not been made aware of the finalised position on the findings of the County Council's External Auditors, including any pension fund accounting changes resulting from the McCloud judgement highlighted at the June Audit Committee meeting.

3.0 Key Areas Identified

- 3.1 To assist the Audit Committee's understanding, comments are provided separately on the AGS and the SOFA for 2018/19, whilst recognising that both ultimately feature in the same document. This section also identifies the action that has taken place and / or will take place.

Annual Governance Statement 2018/19

1. Issue – a number of suggestions and observations were provided in respect of the Annual Governance Statement.

Action taken – the suggestions and observations have been taken into account through amendments to the Annual Governance Statement where appropriate.

Statements of Final Accounts 2018/19

1. Issue – a number of detailed questions were submitted and explanations were provided.

Action taken – explanations provided and no further action required.

2. Issue – a number of sub-headings and supporting narrative within statements were reviewed

Action taken – these have now been updated to provide greater clarity within the accounts.

3. Issues - a number of typos / simple errors were identified.

Action taken – these have now been corrected and are incorporated within the SoFA presented to the Audit Committee on this agenda.

4.0 Conclusions of the Member Working Group regarding the Statement of Accounts and the Annual Governance Statement for 2018/19

- 4.1 The Members Working Group is satisfied that all appropriate actions have been taken and satisfactory explanations have been provided where required.
- 4.2 No further issues have been identified up to the date of this report. However, it should be noted that the Members Working Group has not been made aware of the finalised position on the findings of the County Council's External Auditors.
- 4.3 Subject to the above, the Members Working Group recommends to the Audit Committee that the Statements of Final Accounts and the Annual Governance Statement for 2018/19 are approved.

Members Working Group
22 July 2019