

NORTH YORKSHIRE COUNTY COUNCIL**AUDIT COMMITTEE****26 October 2020****Report following the detailed review of the draft Statement of Final Accounts
(incorporating the Annual Governance Statement) for 2019/20****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 2019/20;
 - ii. Actions taken as a result of issues being identified;
 - iii. Offering an opinion on the draft SoFA and draft AGS for 2019/20 in advance of the Audit Committee being asked to approve them.

2.0 Background

- 2.1 On 27 July 2020 the Audit Committee considered a report which provided a draft Statement of Final Accounts (SOFA) for 2019/20. The SOFA also included a draft Annual Governance Statement (AGS) for 2019/20.
- 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 with Mr David Portlock be convened to give detailed consideration of the draft SOFA/AGS and that a report would be presented to the full Audit Committee on 26 October 2020.
- 2.4 This report provides a summary of the detailed review of the draft SOFA for 2019/20, 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.

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 2019/20, 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 2019/20

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 2019/20

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. Issues – updates on changes requested by External Audit.

Action taken – At the date of this report the Members Working Group had been made aware of two issues which the external auditors were suggesting should be treated differently from how they were shown in the draft Statement of Accounts. Discussions between Officers and the external auditors were continuing when this report was finalised

4.0 Conclusions of the Member Working Group regarding the Statement of Accounts and the Annual Governance Statement for 2019/20

- 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 2019/20 are approved.

Members Working Group
13 October 2020