

24 November 2020		ITEM: 6
Standards and Audit Committee		
Financial Statements and Annual Governance Statement 2019/20		
Wards and communities affected: All	Key Decision: Key	
Report of: Sean Clark, Corporate Director of Finance, Governance & Property		
Accountable Assistant Director: Jonathan Wilson, Assistant Director, Finance		
Accountable Director: Lyn Carpenter, Chief Executive		
This report is Public		

Executive Summary

The financial statements have been subject to external audit. External audit work is substantially complete with outstanding matters covering completion procedures and audit file and statement of accounts review. Financial statements have been updated with audit amendments and are included as an appendix to this report. Members will have already considered the external auditor's opinion earlier on this agenda that both the Financial Statements and the Use of Resources conclusions will be unmodified. The Annual Governance statement is also included as an appendix to this report and the review by external audit has concluded that it's consistent with external audit's knowledge of the Council.

1. Recommendation(s)

That the Standards and Audit Committee:

- 1.1 Having consideration to the comments within the Audit Completion Report considered earlier on the agenda, approve the Group Financial Statements;**
- 1.2 Note the issues contained within, and approve, the Annual Governance Statement; and**
- 1.3 Approve the letter of representation on behalf of the Council to be signed by the Chair of the committee.**

2. Introduction and Background

2.1 Financial Statement

- 2.1.1 The Financial Statements sets out the financial performance for the 2019/20 financial year and both the Council's financial position and the Group's financial position as at 31 March 2020.
- 2.1.2 There are a number of statements and supporting notes set out in the document and an explanatory forward that summarises the performance for the year and highlights challenges and opportunities going forward.
- 2.1.3 The headline from a Council perspective is that the Council achieved a balanced budget and has maintained the General Fund reserve at the optimum level set by the Council's Responsible Financial Officer and endorsed by Council.

2.2 Annual Governance Statement:

- 2.2.1 Thurrock Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 2.2.2 The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 2.2.3 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 2.2.4 This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, 2011 and 2015 in relation to the publication of a statement on internal control.

2.3 Letter of Representation:

- 2.3.1 The letter of representation is a letter issued by the Council to the auditor in writing as an additional form of audit evidence. The date of the document must not be later than the date of audit work completion. It is used to let the Council's management declare in writing that the financial statements and other presentations to the auditor are sufficient and appropriate and without omission of material facts to the financial statements, to the best of the management's knowledge. For audit evidence, it is reliable if the auditor has

no other means of obtaining evidence. The person issuing the letter should have the appropriate authority or seniority in the organization to vouch on the issue.

3. Issues, Options and Analysis of Options

3.1 There are no specific issues, options or analysis of options to consider.

4. Reasons for Recommendation

4.1 To enable the Council to meet the requirements of the Accounts and Audit (England) Regulations 2015 as amended by The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 in respect of the approval of the financial statements and the annual governance statement.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The accounts were open to the public for inspection.

6. Impact on corporate policies, priorities, performance and community impact

6.1 The closure of the accounts gives certainty to the financial position of the Council which is a key part of the budget setting process.

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director - Finance

The financial statements confirm the final financial position for 2019/20 and the associated usable reserves. The position is underpinned by detailed supporting working papers which have been subject to review by external audit.

7.2 Legal

Implications verified by: **Tim Hallam**
Deputy Head of Law and Deputy Monitoring Officer

There are no direct legal implications arising from this report.

7.3 **Diversity and Equality**

Implications verified by: **Natalie Smith**
Strategic Lead - Community Development and Equalities

There are no diversity and equality implications resulting directly from this report.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

There are a number of working papers retained within the Corporate Finance Section.

9. **Appendices to the report**

- Appendix 1 – Annual Governance Statement
- Appendix 2 – Financial Statements
- Appendix 3 – Letter of Representation

Report Author:

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Corporate Finance