



**REPORT of  
INTERIM SECTION 151 OFFICER**

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**to  
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE  
28 NOVEMBER 2019**

**DRAFT STATEMENT OF ACCOUNTS 2018/19**

**1. PURPOSE OF THE REPORT**

- 1.1 To report to the Committee the latest position on the external audit of the statement of accounts and present the draft Statement of Accounts for 2018/19 (subject to audit) at **APPENDIX 1** that are the subject of ongoing external audit work.
- 1.2 The Council's external auditor is Deloitte LLP and the financial year ended 31 March 2019 (2018/19) is their first year as the appointed external auditors.

**2. RECOMMENDATIONS**

- i) that the Draft Statement of Accounts for 2018/19 (subject to audit) as set out in **APPENDIX 1** be considered and approved;

**OR**

- ii) that delegated authority is given to the Chairman of Performance, Governance and Audit Committee in consultation with the Interim Section 151 Officer for the final approval of the Statement of Accounts for 2018/19 and letter of representation.

**OR**

- iii) Recommend to Council for approval of the final Statement of Accounts for 2018/19 once the External Auditor's Opinion on the accounts and the judgement for Value for Money has been received.

**3. SUMMARY OF KEY ISSUES**

- 3.1 The content of the Statement of Accounts is determined by statutory requirements and mandatory professional standards as set out within The Code of Practice on Local Authority Accounting in the United Kingdom (The Code) and the International Financial Reporting Standards (IFRS) as applicable to local authorities.
- 3.2 There is a statutory requirement to publish the approved and audited Statement of Accounts by 31<sup>st</sup>. July of the financial year immediately following the end of the

financial year to which the statement relates. However, where this has not been possible to comply with, the Accounts and Audit Regulations 2015 allow for the publication to be “as soon as reasonably practicable after the receipt of any report from the auditor which contains the auditor’s final findings from the audit which is issued before the conclusion of the audit”. Committee should note that there is a separate report on the agenda titled ‘ISA 260 Report of the External Auditor on the Audit for the year ended 31 March 2019’ which is the report of the findings of the external auditor. A notice in accordance with the Regulations has been published on the Council’s website, please see link below and a copy of the notice is attached at **APPENDIX 2**.

[https://www.maldon.gov.uk/info/20070/finance/9268/the\\_councils\\_finances](https://www.maldon.gov.uk/info/20070/finance/9268/the_councils_finances)

- 3.3 At the time of writing this report, audit work is ongoing and it is hoped that approval can be given by the Committee on the Statement of Accounts at this meeting, however, if this is not possible, then it is recommended that delegated authority is given to the Chairman of Audit Committee and the Interim Section 151 Officer to approve the final audited Statement of Accounts 2018/19 and the letter of representation that will be requested by the external auditor.
- 3.4 The Council has made all the adjustments, amendments, corrections and provided explanations that the external auditor had identified and required in the normal course of the audit. There were two misstatements in the accounts identified by the external auditor that were corrected by the Officers and that have been brought to the attention of the Committee. These are:
- Accounting for the outcome of McCloud judgement relating to a judgement that was made by the Court of Appeal on a case relating to age discrimination in respect of pensions in the Judiciary Service and the Firefighters Service. On 15 July 2019 the Government announced that they accept that the judgement applies to all of the main public service pension schemes, including the Civil Service Pension schemes. The consequences and effect of the judgement is significant and wide within the whole of the public sector and not limited to this Council only. As a result, like all local authorities the Council had to ask their Pension Fund actuaries to undertake further work to quantify the impact on the Council which for this Council is £0.5m. which Officers then adjusted the accounts for
  - The valuation of the White Horse Lane Car Park had to be reduced by £0.6m as a result of difference of opinion on the original valuation produced by the Council’s appointed professional valuer and the external auditor’s professional valuer. This related to the assumption built into the valuation and not the methodology. The adjusted valuation was agreed between the two valuers and accepted by the external auditor and the Interim Section 151 Officer and the adjustment was made in the accounts.

## **4. CONCLUSION**

- 4.1 Based on the work that DELOITTE LLP has substantially completed, no significant issues with the Council’s accounts for 2018/19 have been identified. The Council has

made the adjustments in the accounts where the external auditor identified issues that required to be adjusted. This view is also based on the separate report on the agenda for this meeting titled 'ISA 260 Report of the External Auditor on the Audit for the year ended 31 March 2019.

## **5. IMPACT ON STRATEGIC THEMES**

- 5.1 The report links to the Maldon District Council's Strategic Theme of providing clear direction for allocating and managing our resources, grant funding and capital expenditure.

## **6. IMPLICATIONS**

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – None.
- (iv) **Impact on Resources (financial)** – None.
- (v) **Impact on Resources (human)** –None.
- (vi) **Impact on the Environment** – None.

Background papers: None.

Enquiries to: Interim Section 151 Officer (Tel: 01621 875762).