

GOSPORT BOROUGH COUNCIL

BOARD:	POLICY & ORGANISATION
DATE OF MEETING:	25th NOVEMBER 2020
TITLE:	FINAL ACCOUNTS 2019/20
AUTHOR:	BOROUGH TREASURER
STATUS:	FOR APPROVAL

Purpose

This report summarises the outturn position for the 2019/20 financial year and recommends the approval of the Statement of Accounts for 2019/20.

Recommendation

It is recommended that:

- i) The Board note the outturn position summarised in the report and the Narrative Report contained in the Statement of Accounts (Appendix A)
- ii) The Board approves the Statement of Accounts for 2019/20 at Appendix A
- iii) The Board approve the Letter of Representation at Appendix B
- iv) The Board delegate to the Borough Treasurer in consultation with the Chairman of the Policy & Organisation Board the decision to agree any final changes to the financial statement arising from the completion of the audit.

1.0 Background

- 1.1 The Accounts and Audit Regulations 2015 require the annual Statement of Accounts to be formally approved by members after the external audit has taken place with the subsequent publication of the Statement taking place by the end of July however as a consequence of the Covid 19 pandemic government have issued a new regulation "The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020" which has extended the deadline for member approval of the accounts to 30th November 2020. Members therefore receive and consider a final Statement that has been amended for any items arising out of the audit.

2.0 Report

- 2.1 The audit of the accounts was undertaken by Ernst and Young and commenced July 2020 and has continued through to November 2020 formally concluding when the audit opinion is issued prior to publication of the statement. Ernst and Young's opinion is set out in the "Audit Results" report to members and is a separate item on this agenda. It describes, in their opinion, whether the Accounts provide a true and fair view of the financial position of the Council and whether they have been prepared in accordance with proper practice. Their report also sets out their Value for Money Conclusion which considers whether the Council has put in place the proper arrangements to secure economy, efficiency and effectiveness on its use of resources.
- 2.2 The accounts have been available for public inspection and the Council's auditor has been available to receive questions from any Gosport local elector.
- 2.3 The Statement of Accounts for 2019/20 which includes any amendments arising from the external audit to date is included at Appendix A. The key points within the statement are summarised below. The Statement also outlines in the Narrative section where there has been financial impact to the Council as a consequence of the Covid-19 pandemic. This impact will largely be felt in the 2020/21 financial year but the Statement outlines the financial issues that the Council has faced since the pandemic started.

3.0 OUTTURN 2019/20

- 3.1 A summary of the key outturn figures is set out below. More detail can be found in the narrative report included within the statement of accounts.

- **General Fund Budget**

A net underspending of £346,000 was transferred to the revenue financing reserve. This reflects slippage in budgeted spending for 2019/20 of £350,550 which has been requested to be carried forward and spent in 2020/21. The net underspending includes expenditure of £100,000 to fund the purchase of laptop to enable remote working as a response to the Covid 19 pandemic.

- **Capital Programme**

The revised 2019/20 capital programme was budgeted at £8,293,000. The actual spend amounted to £7,978,734 with scheme slippage of £382,809 being carried forward into 2020/21. The outturn position has no significant impact on the overall resources available for the future capital programme.

- Housing Revenue Account

A surplus of £747,000 was transferred to the major repairs new build & loan repayment reserve compared with a revised estimated surplus of £261,000. This mainly reflects reduced repairs and maintenance costs, reduction in depreciation charges and reduced supervision and management costs compared with the revised budget.

The HRA subsequently funded Capital expenditure of £806,000 which when taken into account gave the HRA an overall deficit of £114,000.

4.0 LETTER OF REPRESENTATION

4.1 The Letter of Representation (Appendix B) is the formal letter from the Council to the Council's external auditors that provides assurances on key matters that are contained in the audited Statement of Accounts for 2019/20.

4.2 It is a requirement of the external audit to provide an opinion on whether the financial statements give a true and fair view of the financial position of the Council at 31 March 2020 and once approved it is signed by the Borough Treasurer and the Chairman of Policy and Organisation Board.

5.0 Risk Assessment

5.1 Council budgets operate in what can be a changing and demand led environment and some service areas may be deemed to have a higher risk of significant budgetary variation against actuals than others.

5.2 While informed and realistic budgets are set and monitored, in practice there will always be variations between budgets and outturn figures as managers seek to deliver services with limited resources.

6.0 Conclusion

6.1 This report summarises the outturn position for 2019/20 and requests members to approve the formal Statement of Accounts for 2019/20.

Financial Implications	As set out in the report
Legal Implications	The Council is required to approve and publish the Statement of Accounts for 2019/20 by 30 th November 2020
Crime and Disorder	N/A
Equality and Diversity	Nil
Service Improvement Plan	N/A
Corporate Plan:	N/A

Risk Assessment:	Section 3 of the report
Background papers:	Final accounts working papers
Climate Change	No direct impact
Appendix	A Statement of Accounts 2019/20 B Letter of Representation
Lead Officer	Keith Price