

Audit Committee – 30 July 2021

Title of paper:	Statement of Accounts 2019/20	
Director(s)/ Corporate Director(s):	Clive Heaphy Corporate Director Finance and Resources	Wards affected: All
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Other colleagues who have provided input:	Strategic Finance – Technical Team, Theresa Channell - Head of Strategic Finance and Deputy Section 151 Officer	
Recommendation(s):		
1	To note the progress in respect of the 2019/20 Statement of Accounts and associated Audit.	

1 Reasons for recommendations

- 1.1 The 2019/20 draft Statement of Accounts was published in August 2020 in accordance with the statutory deadline. Due to the Covid-19 pandemic, the statutory deadline for final accounts to be approved and published was extended across the sector to 30 November 2020.
- 1.2 Grant Thornton UK LLP have been unable to conclude the audit within this timeline due to delays in obtaining some final information relating to asset values and the Robin Hood Energy Audit not being finalised.

2 Background

- 2.1 The 2018/19 Statement of Accounts were not concluded until July 2020 due primarily to delays in completing and auditing of the RHE accounts. This has had an impact on the audit work that was required to be undertaken on the 2019/20 Statements which has been verbally reported to this Committee at the February and May meetings.

- 2.2 The remaining items outstanding are:

- To provide evidence in support of the assumptions used in the asset valuations for specialist assets.

This asset category consists of 75 specialist properties for e.g. Theatre Royal and Concert Hall, Wollaton Park and Hall, Tennis Centre etc. and had been valued by the Council's in-house team for 2019/20. There are unresolved audit queries in relation to these valuations and the Council no longer had the expertise to respond to these queries in house. This activity is now being sourced externally for 2019/20 and for all future audits.

- Robin Hood Energy Accounts.

The Council had consolidated the draft 2019/20 financial statements of Robin Hood Energy (RHE) into the group financial statements. Although the majority of the audit work has been completed, the audit opinion for RHE was not

signed by RHE's auditors, McIntyre Hudson, prior to the company being placed into administration. The appointment of an administrator means that financial statements are now no longer required to be filed with Companies' House and no prospect of a final audit opinion being given by McIntyre Hudson.

Discussions are underway with Grant Thornton and MacIntyre Hudson (RHE auditors) to agree a way forward which provides the necessary assurance to enable Grant Thornton to take a view within accounting standards.

3 Amendments to the Statement following Audit Review

- 3.1 All changes from the published draft 2019/20 Statement of Accounts agreed with Grant Thornton and any subsequent changes arising as a result of the audit will be incorporated into the final version of the Accounts and presented to this Committee.
- 3.2 Events after the Reporting Date have been updated to provide further information.
- 3.3 The Narrative Report has been updated and directs the reader to revised information.

4 Background papers other than published works or those disclosing exempt or confidential information

- 4.1 None

5 Published documents referred to in compiling this report

- 5.1 Code of Practice on Local Authority Accounting in the United Kingdom 2019/20
- 5.2 Guidance Notes for Practitioners 2019/20 Accounts
- 5.3 The Accounts and Audit Regulations 2015 (as amended)