

**READING BOROUGH COUNCIL**  
**REPORT BY DIRECTOR OF FINANCE**

<b>TO:</b>	<b>AUDIT &amp; GOVERNANCE COMMITTEE</b>		
<b>DATE:</b>	<b>25<sup>th</sup> JANUARY 2022</b>		
<b>TITLE:</b>	<b>CLOSING FINANCIAL ACCOUNTS UPDATE</b>		
<b>LEAD COUNCILLOR:</b>	<b>COUNCILLOR MCEWAN</b>	<b>PORTFOLIO:</b>	<b>CORPORATE AND CUSTOMER SERVICES</b>
<b>SERVICE:</b>	<b>FINANCE</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
<b>LEAD OFFICER:</b>	<b>DARREN CARTER</b>	<b>TEL:</b>	
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**1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 This report updates the Committee on progress with the completion of the audit of the Council's Final Accounts for 2019/20. The information contained in the report was the position as at 5<sup>th</sup> January 2022. A verbal update will be provided at the meeting.

**2. RECOMMENDED ACTION**

- 2.1 That the Committee notes the progress made on the audit of the 2019/20 accounts.

**3. SUMMARY**

**2019/20 Accounts**

- 3.1 The draft 2019/20 accounts were published on 10 November 2021.

- 3.2 Substantial audit work has been undertaken, including:

**Income & Expenditure Sampling**

- 3.3 466 audit samples have been requested by our external auditors. 464 (99.6%) of these have been reviewed; 386 (83%) have been passed; 75 (16%) require further clarification; and 3 (0.6%) have failed the initial assessment but are now in the process of being resolved.

**Walk Throughs**

- 3.4 The following walk through tests are 100% complete and are now subject to review:

- Accounts Payable (short term creditor)
- Adult Care & Health Services

- Children, Education & Early Help Services
- Corporate Support Services expenditure
- Environment & Neighbourhood Services
- Business Rates
- Council Tax
- Housing Rents
- Housing Repairs
- Payroll (including pensions)
- PPE - Fixed asset register
- School System

3.5 A further four walk through tests are in progress:

- Accounts receivable (short term debtor)
- Cash and treasury management
- Financial statement close process and journals
- Housing Benefits

#### **Adjusting Items**

3.6 One adjusting item has been agreed in relation to a miscoding error between short and long-term borrowing.

#### **Technical Assessments**

3.7 Technical assessments of Asset valuations; PFI contracts and pension liabilities are underway and feedback is expected in January 2022.

#### **2020/21 Accounts**

3.8 A draft Statement of Accounts for 2020/21 is currently being prepared. Substantial work has already been done but the focus of activity has been on the 2019/20 audit.

#### **Staffing Update**

3.9 The former Chief Accountant, Annette Trigg, left the Council on 21<sup>st</sup> January 2022 to undertake a role at another Council.

3.10 A successful recruitment process was undertaken during December 2021 and Mark Sanders, an experienced Chief Accountant from Worcestershire County Council, will be joining the Council in March 2022. An experienced interim Jo Nacey will be covering the role in the intervening period.

### **4. CONTRIBUTION TO STRATEGIC AIMS**

4.1 The production of annual Statement of Accounts results in the publication of accurate, transparent financial information which gives a true and fair view of Reading Borough Council's economic performance and financial stability.

### **5. ENVIRONMENT AND CLIMATE CHANGE IMPLICATIONS**

5.1 None arising.

**6. COMMUNITY ENGAGEMENT AND INFORMATION**

- 6.1 The draft 2019/20 accounts were made available for public inspection during November / December 2021 as required under Part Five of the Accounts and Audit Regulations 2015.

**7. EQUALITY IMPACT ASSESSMENT**

- 7.1 Not applicable.

**8. LEGAL IMPLICATIONS**

- 8.1 Part Five of the Accounts and Audit Regulations 2015 requires authorities to allow the public to inspect the accounts for a single period of 30 working days and stipulates that must include the first 10 working days of June of the financial year immediately following the financial year to which the accounts relate. The Council was unable to comply with this requirement in respect of the 2017/18, 2018/19, 2019/20 and 2020/21 accounts as they were not ready for inspection.

**9. FINANCIAL IMPLICATIONS**

- 9.1 The audit fees for 2019/20 will be reported in due course.

**10. BACKGROUND PAPERS**

- 10.1 None.