

AUDIT AND ASSURANCE COMMITTEE

Meeting date: 11th March 2021

From: Director of Finance (S151 Officer)

ACCOUNTS PREPARATION 2020/21

1.0 EXECUTIVE SUMMARY

- 1.1 *This report summarises the overall approach and progress to date on the preparations for the Council's and Cumbria Local Government Pension Scheme Statement of Accounts 2020/21 and the Council's Value for Money conclusion.*
- 1.2 *The production of the Statement of Accounts is an annual exercise and is the final piece of the jigsaw in relation to the financial management cycle for the Council. By its nature it is a very technical exercise but at its core it relies on the significant level of work that is carried out across Finance and the wider organisation during the year in managing and monitoring the Council's financial and non-financial position.*
- 1.3 *The Audit Findings Report (AFR) for the Council's 2019/20 Accounts concluded that again the Council achieved a very high quality of financial reporting, with working papers being to a good standard. Grant Thornton positively commented on the effective response time to their audit queries. This high quality being achieved whilst working remotely and responding to the COVID-19 global pandemic. Overall, the very small number and the nature of the adjustments reflect the sustained improvement and substantial progress the Council has made in strengthening the accounts compilation process over recent years.*
- 1.4 *The Council's draft primary statements required adjustment in respect of the increase in the net pension liability as a result of a change in the value of LGPS assets that arose after the unaudited accounts were published. There were also some minor amendments required to the disclosure notes to enhance the reader's understanding. There are two recommendations for action in the Council's Audit Findings Report relating to valuation of land and buildings.*
- 1.5 *The Audit Findings Report (AFR) for Cumbria LGPS confirmed that the accounts contained no material errors to the primary statements. It did, however, identify an overstatement of £1.5 million in respect of the valuation of 7 level 3 investments. This represents less than 0.1% of the assets published in the draft accounts and, in light of immateriality*

and the general short term volatility of investment assets, the Fund considered it not necessary to adjust for these differences. This is consistent with the approach taken in previous years.

- 1.6 *The Cumbria LGPS AFR noted that the outbreak of the COVID-19 pandemic has had an impact on the operations of the Pension Scheme however, this had no material impact on the payment of benefits or receipt of contributions.*
- 1.7 *The AFR also noted that the Fund's direct property valuer declared a 'material uncertainty' in relation to the valuation of the Scheme's direct property at 31st March 2020. This was due to the impact COVID-19 had on the markets upon which the valuation was based.*
- 1.8 *The auditors made no recommendations for improvement to the Fund's financial statements.*
- 1.9 *While the aim is to provide a completely "clean" set of accounts, it would be exceptional for any Council not to have some amendments to their unaudited accounts given the scale of the exercise (resulting in a 264 page document) and the complex and technical requirements for completion.*
- 1.10 *To maintain these high standards whilst resources are constrained across the Council and in Finance has been challenging but the closure timetable is considered achievable. 2020/21 is again a year with minimal technical changes. The deadline for the sign off of the unaudited accounts by the Director of Finance is Friday 28th May. This is in advance of the statutory deadline of 31st May. The statutory deadline may be amended to 1st August pending the outcome of the MHCLG consultation on changes to the Accounts and Audit Regulations.*
- 1.11 *The production of the accounts is a significant project for the Council involving many officers across the Council led by Finance. In preparation for the closure of accounts for 2020/21 a comprehensive timetable, covering both revenue and capital, has again been produced following on from good practice established in previous years, together with proforma documentation for all Finance staff to use.*
- 1.12 *Subject to any changes to statutory deadlines the draft Statement of Accounts will be published by the 28th May and the Audited Statement of Accounts will be reported to Audit and Assurance Committee once the audit is completed.*
- 1.13 *As in previous years the Auditors will provide a Value for Money opinion for the financial year, albeit in a narrative form this year as a result of the new NAO Code of Audit Practice. The outcome will be reported to Audit and Assurance Committee once the audit is completed.*

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

2.1 *This report supports the priorities of the Council Plan, as effective management of financial resources is a pre-requisite for making informed decisions when planning and delivering Council services.*

3.0 RECOMMENDATION

3.1 *Members are asked to note the following:*

- a. High level timetable for the closedown of the Council's and the Cumbria Local Government Pension Scheme 2020/21 accounts (paragraph 4.27).*
- b. Potential risks for the closure of the Council's 2020/21 accounts (paragraph 4.35).*
- c. Value For Money (VFM) approach to determine the VFM conclusion as part of the final accounts process (paragraph 4.37 to 4.43).*
- d. Potential risks for the closure of the CLGPS 2020/21 accounts (paragraphs 5.13 to 5.14).*

4.0 BACKGROUND

Cumbria County Council Statement of Accounts

Audit Findings Report 2019/20

- 4.1 In summary, the Audit Findings Report commented that "These complex set of financial statements have been produced to a very high standard and the finance team have produced good working papers and have been responsive to our audit queries".
- 4.2 The production of the Statement of Accounts is an annual exercise and is the final piece of the jigsaw in relation to the financial management cycle for the Council. By its nature it is a very technical exercise but at its core it relies on the significant level of work that is carried out during the year across Finance and the wider organisation in managing and monitoring the Council's financial position.
- 4.3 The unaudited accounts were amended following the change in Cumbria LGPS asset values in August 2020. This has given rise to an increase in the Council's net pension liabilities of £12.490m which has been amended in the primary statements. In addition, there were some minor changes required to disclosure notes to aid the reader's understanding.
- 4.4 The Audit Findings Report also identified two items that the Council chose not to make adjustment for in the primary statements on the grounds of materiality. These items are detailed below:

- The Council's Winter Pressures Grant (value £2.507 million) had been incorrectly credited to Taxation and non-specific Grant Income and Expenditure. The correct treatment is to credit this Grant to Services, in line with the conditions of the grant.
- As part of the review of the valuation of land and buildings at 31st March 2019 there were 41 assets carried in the Balance Sheet at an estimated valuation. The estimated value was £74.571m, the assets were subsequently formally valued by the in-house valuation team in September 2020 at £69.038m. This indicates that the values included in the Balance Sheet at 31st March 2019 are overstated by £5.532m.

However, this should also be viewed in the context of the overall review of the Council's assets not revalued at 31st March 2019 which identified that there was a potential understatement of £9.2m, when the overstatement of £5.5m is offset this becomes a net potential understatement of £3.7m at 31st March 2019 on a Land & Buildings net book value, in Note 21 – Property Plant and Equipment, of £534m.

The same review of assets not revalued was carried out as at 31st March 2020 and concluded that when taking into account the aforementioned overstatement of £5.5m there is a potential net understatement of £4m on a land and buildings net book value of £555m.

It should be noted that the review is a purely mathematical exercise applying general index changes to the value of the assets, it is a general guide as to how asset values are changing year on year.

- 4.5 Grant Thornton's report contained two recommendations relating to the valuation of land and buildings to enhance the processes that are currently in place.

Recommendation	CCC Response	By Whom and When
Request a formal valuation report from the valuer to support the year end valuation of land and buildings.	For 2020/21 onwards a formal annual valuation report will be requested from the valuer.	Group Finance Manager – Corporate Accounting to issue formal request to Estates & Investment Manager 1 st April each year.

Recommendation	CCC Response	By Whom and When
Integrate a review of the depreciated replacement costs valuation model into closedown procedures to ensure that it is updated on a consistent and accurate basis.	Confirmation of the annual update of the DRC valuation model will be documented as part of future closedown procedures.	The Valuation team have reviewed the DRC valuation model in use for 2020/21 to ensure that the underlying assumptions have been updated. Estates & Investment Manager will provide a working paper documenting and evidencing the review of the DRC valuation model and associated outcomes to the Group Finance Manager – Corporate Accounting by 23 rd April.

4.6 Given the significant nature of the valuation of land and buildings regular monthly meetings have been implemented between the Corporate Finance Team and the Valuation team to assess progress against the valuations scheduled for the year and to ensure early discussion takes place with regards to any issues that arise.

4.7 Furthermore, the actions identified in paragraphs 4.26 to 4.28 of the Accounts Preparation 2019/20 report presented to this Committee on 29th July 2020 have been actioned and implemented, these are extracted below.

Revaluation of Land and Buildings – 2020/21 onwards	
4.26	<p>The review of the 2018/19 valuations and lessons learned during the preparation of the 2019/20 accounts has resulted in revised arrangements being implemented in readiness for the 2020/21 accounts process in order to further strengthen the valuation of assets:</p> <ul style="list-style-type: none"> • Additional checks have been built in to test the DRC valuation spreadsheet prior to the start of the year. • Consideration of the re-basing of build costs to move away from a reliance on indexation. • Reviewing where the build costs are pitched in relation to the range of build costs reported. Historically the mean cost has been used, but the lower quartile would reflect more closely the cost base of the buildings the County Council has built most recently.
4.27	<p>The cycle of valuations is also being reviewed to reduce the current five year cycle to a three year cycle. This will be achieved by incorporating the use of more desktop valuations each year, where the factors such as build costs and pupil numbers are updated, but physical measurements are maintained at the same level.</p>
4.28	<p>Where there has been significant capital spend on a building during the year, exceeding 20% of the buildings net book value, then a revaluation will be automatically triggered regardless of whether it is part of the current year's cohort of revaluations.</p>

Changes to Code of Practice on Local Authority Accounting for 2020/21

- 4.8 For 2020/21 there are no significant technical accounting changes in the Code.
- 4.9 IFRS16 Leases was due to be implemented in 2020/21, with the transition date being 1st April 2020. IFRS16 will require authorities that are lessees to recognise most leases on their Balance Sheets as right-of-use assets with a corresponding lease liability.
- 4.10 IFRS16 had already been deferred for one year for the whole Public Sector to 1st April 2020 but as a result of the Coronavirus pandemic CIPFA/LASAAC agreed to defer the implementation of IFRS 16 Leases for a further year in line with the proposals for central government departments. The effective date for implementation now being 1st April 2021.
- 4.11 There is still some uncertainty about the extent of the impact of IFRS16 as CIPFA/LASAAC are still deliberating on the treatment of Voluntary Aided and Voluntary Controlled Schools. For the Council this affects 126 schools which are not currently included in the Council's Balance Sheet, however depending on the outcome of CIPFA/LASAAC discussions these may be brought back on to the Balance Sheet.
- 4.12 The Corporate Accounting team are currently reviewing all the Council's lease arrangements in readiness for the implementation and further details of the impact of IFRS16 will be included in Note 1 Accounting Standards Issued of the 2020/21 Accounts.

Potential Changes to Accounts and Audit Regulations for 2020/21

- 4.13 The Accounts and Audit Regulations 2015, as they currently stand, require each local authority to publish its unaudited annual accounts (including the accounts of the Local Government Pension Scheme) by 31st May and publish its complete and audited accounts by 31st July.
- 4.14 In April 2020 to help ease the burden on Local Authorities arising as a result of the unprecedented situation across the UK relating to COVID-19, the Government issued revised Regulations (Accounts and Audit (Coronavirus) (Amendment) Regulations 2020) for the production of the 2019/20 accounts.
- 4.15 These revised Regulations applied to the 2019/20 accounting year only and the changes were:
- Extend the statutory audit deadline from 31st July to 30th November 2020.
 - Remove the requirement for the public inspection period to include the first 10 working days of June.
 - Commence the public inspection period on or before the first working day of September 2020. This meant that unaudited accounts had to be published by 31st August 2020 at the latest.
- 4.16 In September 2020 Sir Tony Redmond, published his review of the effectiveness of external audit and transparency of financial reporting in local

authorities, in which he recommended that the deadline for publishing audited local authority accounts be revisited with a view to extending it to 30th September from 31st July each year.

4.17 In the Government's response published in December 2020 Ministers committed to amending the accounts publication deadline as recommended for 2 years i.e. 2020/21 and 2021/22, subject to review.

4.18 On 9th February 2021 MHCLG issued a consultation on amendments to the Accounts and Audit Regulations 2015 with responses requested by 1st March 2021. The consultation seeks views on the implementation of the above changes i.e. pushing back the final accounts publication date to 30th September. The draft regulations, included with the consultation, also removes the fixed period for public inspection (currently the first 10 working days of June), to say instead that the draft accounts must be published on or before the first working day of August. This will allow authorities and audit firms more flexibility to schedule their audits in line with the later publication deadline but, importantly, will not prevent them from being signed off earlier. This mirrors the approach taken in the Accounts and Audit (Amendment) (Coronavirus) Regulations 2020.

4.19 The Redmond Review also included two further recommendations that are directly related to the statement of accounts and whilst they have not yet been implemented, they are under development and are:

- A supplementary summary statement of accounts to be produced and then presented alongside the statutory accounts. This is expected to be implemented from 2021/22 onwards following further development work being led by CIPFA.
- Reviewing the content of the statutory accounts with a view to CIPFA / LASAAC assessing whether it is possible to simplify local authority accounts by removing unnecessary disclosures. There have been several attempts over a number of years to do this, with initiatives such as 'decluttering the accounts'. However, whilst local authority accounts continue to be based on International Financial Reporting Standards (IFRS) significantly reducing the size and content of local authority accounts will remain a big challenge. Any changes are expected to be implemented from 2022/23.

Preparations for Closure of 2020/21 Accounts

4.20 The closure of accounts process is continually being reviewed and refined each year to identify areas that will enable the Council to meet the statutory timescales.

4.21 For 2020/21 closure of the Accounts will follow a similar timetable to previous years, however this will be reviewed following the outcome of the MHCLG consultation should the statutory publication date change from 31st May. Based on current statutory dates the deadline for a first complete draft of the Statement of Accounts will be 14th May. The deadline for the sign off of the unaudited accounts by the Director of Finance is Friday 28th May.

4.22 In preparing the timetable for 2020/21 and considering the impact upon the preparation of the Accounts, the availability of information from the external sources listed below has been taken into account in the current timetable.

- **Information from District Councils** - Business Rates and Council Tax information is required from all six District Councils, the timetable assumes that estimates will be used (as in previous years) with confirmation prior to publication of the Accounts. The impact of any delays in receiving the information is minimal as there isn't a material impact on the Council's Accounts.
- **LGPS IAS19 information from Mercers** – the Council has opted this year to have a single run of the IAS19 in April based on actual data for the year and the market conditions at 31st March. The figures are due to be received in the first week of May. In previous years an early run was requested in March with a second run after the year end if there had been a significant change in the market conditions at year end.
- **Cumbria County Holdings Ltd (CCHL)** – as a 100% owned subsidiary CCHL provide group accounts for consolidation with the Council's Accounts. CCHL have indicated that they expect to be in a position to provide draft group Accounts in early May allowing the current statutory deadline of 31st May to be met.
- **Cumbria Pension Fund** – whilst the Pension Fund Accounts are separate from the Council's they are published at the same time as part of one document which consists of the Council's Accounts, the Group Accounts, the Firefighters Pension Fund and the Cumbria LGPS Fund. To allow time for there to be more certainty on the valuation of some assets the LGPS have set a date of 17th May as the cut off by which time all estimates within the accounts will be revised to reflect any non-trivial adjustments advised to the Pension Fund. This cut off date will allow for any adjustments to be made and the draft Accounts to be finalised by 28th May.

4.23 In February 2021 Council agreed as part of the 2021/22 budget setting process that slippage and accelerated spend in the capital programme from one year to the next would be automatically carried forward to future years. Slippage reflects a delay in timing of planned and approved spend on schemes that have already been agreed by Cabinet and Council. Again, this is a similar approach to previous years in order to facilitate the closedown requirements.

4.24 In addition, the Q3 Budget Monitoring report being presented to Cabinet on 18th March will include a number of recommendations in readiness for year end, these are as follows:

- As is usually the case the report will include recommendations for Cabinet to: approve 'in principle' transfers to earmarked reserves of committed but unutilised budget at 31st March 2021.

- For Local Committees it is proposed that Cabinet approve the transfer of the net revenue balance of both accelerated spend (overspendings) and underspendings on each Local Committee budget (highways and non-highways) as at 31st March 2021 to an Earmarked Reserve for use in 2021/22.
- Approve in principle that after transfers to earmarked reserves and the General Fund Balance (recommendations e to h of the Cabinet report) any remaining net outturn revenue position is transferred to the Financial Volatility Reserve

4.25 Areas such as de-cluttering the accounts and reducing disclosures where appropriate, increasing the use of estimates, and streamlining working papers are key to achieving the closure deadline. Also essential is working with colleagues across the organisation to ensure materiality of year end processes is understood and applied. Throughout the 2020/21 financial year there has been increased emphasis on understanding and managing potential year end issues during the regular budget monitoring process.

4.26 The production of the accounts is a significant project for the Council involving many officers across the Council led by the Finance team. In preparation for the closure of accounts for 2020/21 a comprehensive timetable, covering both revenue and capital, has again been produced following on from good practice established in previous years, together with proforma documentation for all Finance staff to use.

4.27 Copies of the documentation have been placed on the Finance SharePoint site for all Finance staff to access. The detailed timetable and proforma are circulated and collated through the Directorate Finance teams. A high level summary of the timetable is attached at **Appendix 1** for information. Key dates are as follows:

Date	Task
16 th April	Directorate finance teams to complete all accounting entries and produce their provisional outturn report.
23 rd April	Directorate working papers and analytical review completed
14 th May	First draft of statement of accounts to be produced for Senior Manager Accountancy to review. Briefing to Director of Finance on statements of accounts.
28 th May	Unaudited Statement of Accounts approved by Director of Finance, published on the website and passed to Grant Thornton together with working papers
11 th June	Outturn report to Cabinet
27 th September (provisional)	Audit & Assurance Committee to receive Audit Findings Report from Grant Thornton

4.28 Each year workshops involving all staff who are key to the closure of the Council's Accounts are held in March. For 2020/21 these workshops will be in the form of dedicated sessions for each team. In addition, closure of accounts is a standing item on the Accountancy Management Team agenda.

- 4.29 Regular meetings are scheduled with Grant Thornton (monthly from December until the end of June and weekly from the beginning of July until the audit is completed) involving the Senior Manager - Accountancy & Financial Planning and the Group Finance Manager – Corporate Accounting. The meetings provide the opportunity to raise issues early with a view to a prompt resolution before the year end.
- 4.30 Requirements relating to IAS540 were communicated to the Council's finance team on 1st March and we will work through these with the Auditor in preparing the Committee to consider the approach we take to significant estimates with respect to 11 areas of the accounts, 7 within the Council's accounts and 4 within the LGPS. The Auditor will highlight the compliance requirements of IAS540 in introducing his report set out on today's agenda.

Significant Risks Identified by Grant Thornton

- 4.31 An initial meeting was held with Grant Thornton on the 21st January 2021 to review 2019/20 and to begin planning for the 2020/21 audit.
- 4.32 Grant Thornton have indicated that the significant risks that will be identified in their Audit Planning Report are expected to be in the same areas as 2019/20 which were:
- Valuation of land and buildings
 - Valuation of pension fund net liability
 - Management over-ride of controls
 - Ongoing impact of Covid-19
- 4.33 Auditing Standards require Grant Thornton to complete their planning work before sharing their audit plan, which will include confirmation and further detail on the significant risks, with management and those charged with governance. The bulk of this planning work will be delivered in late March and early April 2021. A detailed plan will not be presented to this meeting of the Committee as has been the experience in previous years.
- 4.34 All the accounting related issues identified have been included in the planning for the preparation of the 2020/21 statement of accounts, clarification from the External Auditor may result in an amendment to specific work plans, but the overall production of the Accounts and Annual Governance Statement is progressing to the 31st May deadline..

Significant risks identified by CCC for 2020/21 closure of accounts

- 4.35 There are no significant risks identified at this stage to the closure of the 2020/21 accounts.

2020/21 Interim Audit

- 4.36 Grant Thornton have begun their planning processes for the 2020/21 audit. This has involved discussions with management and review of committee and council minutes to inform their risk assessment for the 2020/21 financial and value for money audits. They have also obtained a full transaction listing

and trial balance for the first 10 months of the year. Further planning work is scheduled to take place during March 2021.

Value for Money Opinion

- 4.37 As in previous years the Auditors will provide a Value for Money (VFM) opinion for the financial year, however for 2020/21 there is a new VFM Conclusion framework in place. The emphasis previously was on an assessment of 'proper arrangements' for securing economy, efficiency and effectiveness in the use of resources.
- 4.38 The new NAO Code of Audit Practice for England for 2020/21 onwards set out three reporting criteria for the value for money conclusion:
- *Governance* – how the Council ensures that it makes informed decisions and properly manages its risks.
 - *Financial sustainability* – how the Council plans and manages its resources to ensure it can continue to deliver services.
 - *Improving economy, efficiency and effectiveness* – how the Council uses information about its costs and performance to improve the way it manages and delivers services.
- 4.39 In a change from previous years the new Code requires a narrative VFM opinion, rather than the single unqualified or qualified opinion, it is intended that the commentary provided will be more useful to stakeholders.
- 4.40 The new Code will increase the focus on all three areas, particularly financial sustainability, and this is likely to have a significant impact on the evidence required by the external auditor and the impact on officer time.
- 4.41 The Council's approach to responding to the new VFM reporting criteria will be informed by the expectations of the Auditor in application of the NAO Code of Practice and this will be a priority of the team once the Auditor confirms the Audit Plan.
- 4.42 Meetings will be held with the Auditors and the relevant Assistant Directors and Senior Managers across the organisation to review the VFM arrangements for the Council. An initial review of high risk areas is being undertaken by the Auditors and this will determine the nature of these discussions. Given the change in emphasis and approach, clarification from the Auditor of the expectations with regard to evidence and working papers is expected.
- 4.43 The outcome will be reported to the Audit and Assurance Committee on 27th September 2021.

5.0 Cumbria Local Government Pension Scheme (“The Fund”)

Audit Findings Report - 2019/20 Action Plan

- 5.1 The audit work undertaken by Grant Thornton identified no significant control weaknesses within the Local Government Pension Scheme (LGPS). No recommendations were included within its Audit Findings Report.

Main changes to accounting for Local Government Pension Schemes for 2020/21

- 5.2 There have been no material changes to accounting rules for 2020/21 affecting the Local Government Pension Scheme.
- 5.3 The Fund will ensure that it continues to comply fully with the required disclosures within its 2020/21 financial statements.

2020/21 Closure Plan and Key Dates (LGPS)

- 5.4 For the 2020/21 Cumbria LGPS Financial Statements it is intended to follow the same process as in previous years. The Fund will continue with its approach to set a cut-off date (17th May 2021) at which time all estimates within the accounts will be revised to reflect any non-trivial adjustments advised to the Pension Fund by this date.

Significant Risks Identified by Grant Thornton

- 5.5 Grant Thornton have indicated that the significant risks that will be identified in their Audit Planning Report are expected to be in the same areas as 2019/20 which were:

- potential for management override of controls;
- valuation of “Level 3” investments; and
- valuation of Direct Held Property Investments

- 5.6 Auditing Standards require Grant Thornton to complete their planning work before sharing their audit plan, which will include confirmation and further detail on the significant risks, with management and those charged with governance. The bulk of this planning work will be delivered in late March and early April 2021.

- 5.7 All the accounting related issues identified have been included in the planning for the preparation of the 2020/21 statement of accounts.

Risks identified by the Fund for 2020/21 closure of accounts

- 5.8 In producing the 2019/20 financial statements, the Fund included an estimate of the impact of the McCloud case on the present value of past service liabilities on both a valuation basis and an IAS19 basis. The Fund will include a similar estimate in production of the 2020/21 accounts. However, details of the resolution to McCloud are expected to be finalised during 2021/22. Depending upon the timing of this announcement Officers may need to reconsider the impact of the resolution and potentially adjust the accounting entries.

5.9 The Pensions Committee approved an amended Investment Strategy in December 2019 with further changes agreed in September 2020, and the Fund is currently transitioning its assets to meet the revised asset allocation. Whilst neither represent a risk to the 2020/21 closure of accounts, Officers will be working with Grant Thornton throughout the production of the accounts to ensure the auditors are familiar with the accounting entries employed by the Fund and the types of assets the Fund is invested in.

6.0 Role of the Audit and Assurance Committee in relation to the Accounts and the Audit Findings Report

6.1 The role of the Audit and Assurance Committee, as set out in the Constitution, in relation to the Statement of Accounts is to review the financial statements, receive the external auditor's Audit Findings Report and reports to members, letter of representation, and monitor management action in response to the issues raised by external audit.

6.2 The meeting of the Committee on 27th September 2021 will receive:

- The audited 2020/21 Statement of Accounts including CLGPS.
- Audit Findings Report from Grant Thornton setting out their opinion on the Council's Accounts and the value for money conclusion.
- Audit Findings Report from Grant Thornton setting out their opinion on the CLGPS' Accounts.
- The letters of representation from the Council to Grant Thornton in respect of the Council and CLGPS. The letters contain written representations about the Council's financial statements and governance arrangements.
- The audited set of accounts for Port of Workington.

6.3 After considering all the above items the Committee will be asked to:

- a) Agree the Letters of Representation on behalf of the Council in respect of the two sets of accounts authorise the Director of Finance, as the Council's Section 151 (Local Government Act 1972) Officer and the Chief Executive to sign the letters this enables Grant Thornton to issue audit opinions on the accounts. Two signatures are required to fulfil the International Auditing Standards.
- b) Approve the Cumbria County Council Accounts 2020/21 which incorporates the Cumbria Local Government Pension Scheme Accounts on behalf of the Council.
- c) Approve the Port of Workington Harbour Accounts 2020/21 on behalf of the Council.
- d) Authorise the Director of Finance, as the Council's Section 151 (Local Government Act 1972) Officer and the Chair of the Audit and Assurance Committee to sign the three sets of accounts on behalf of the Council.
- e) Agree the completed Action Plan to the Audit Findings Report for the Council.

7.0 OPTIONS

7.1 Audit and Assurance Committee to note the report.

Julie Crellin
Director of Finance (S151 Officer)
01 March 2021

Please ensure that every part of this section where there is an asterisk is completed in accordance with the instructions before sending the report to Member Services, following which please delete this sentence.*

APPENDICES

Appendix 1 Closure of Accounts 2020/21 – High Level Closure Timetable

IMPLICATIONS

Staffing: *

Financial: *

Property: *

Electoral Division(s): *

* Please remove whichever option is not applicable

Executive Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
Key Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
If a Key Decision, is the proposal published in the current Forward Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Is the decision exempt from call-in on grounds of urgency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No
If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Has this matter been considered by Overview and Scrutiny? If so, give details below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No

N.B. *If an executive decision is made, then a decision cannot be implemented until the expiry of the eighth working day after the date of the meeting – unless the decision is urgent and exempt from call-in and the Head of Member Services and Scrutiny has obtained the necessary approvals.*

PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS

No previous relevant decisions.

CONSIDERATION BY OVERVIEW AND SCRUTINY

Not considered by Overview and Scrutiny

BACKGROUND PAPERS

No background papers

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