

## **London Borough of Hammersmith & Fulham**

**Report to:** Audit and Pensions Committee

**Date:** 24/11/2020

**Subject:** Statement of Accounts 2019/20, including Pension Fund Accounts and Annual Governance Statement

**Report of:** Emily Hill, Director of Finance

**Responsible Director:** Emily Hill, Director of Finance

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### **SUMMARY**

This report presents the London Borough of Hammersmith and Fulham's 2019/20 Statement of Accounts, including the Pension Fund Accounts and Annual Governance Statement for approval.

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### **RECOMMENDATIONS**

1. To note the content of the external auditor's 'Audit Findings Report' (ISA260), including the auditor's findings, recommendations and the Council's response to those recommendations (Appendix 2).
2. To approve the 2019/20 Annual Governance Statement which is included in the Statement of Accounts (Appendix 1).
3. To approve the 2019/20 management representation letter (Appendix 3).
4. To approve the Statement of Accounts for 2019/20, including the Pension Fund Accounts (Appendix 1).
5. To approve the Pension Fund Annual Report 2019/20 (Appendix 4).
6. To note that the accounts remain 'unaudited' until final sign-off by the external auditor
7. To delegate authority to the Chair of the Audit and Pensions Committee, in consultation with the Director of Finance to approve any further adjustments to Appendices 1,3 and 4 which may be required as part of the completion of the audit work.

**Wards Affected:** All

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## H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
<ul style="list-style-type: none"><li>Being ruthlessly financially efficient</li></ul>	The Statement of Accounts details the authority's financial activity for the year and forms the cornerstone of fiscal responsibility and control together with the attainment of value for money.

## Financial Impact

This report presents the annual accounts for approval and is wholly of a finance nature.

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## Legal Implications

There are no direct legal implications in relation to this report. The accounts are prepared and audited in accordance with The Accounts and Audit Regulations 2015 (as amended). In accordance with the Accounts and Audit Regulations 2015 (as amended), the Council's audited year end Statement of Accounts must be approved by the Audit and Pensions Committee and published before the end of November.

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### Contact Officer(s):

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### Background Papers Used in Preparing This Report

None.

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## 1. Statement of Accounts 2019/20

- 1.1 The 2019/20 Statement of Accounts, for approval by the Audit and Pensions Committee, is attached at Appendix 1.
- 1.2 The Narrative Statement at the beginning of the Statement of Accounts gives an outline of the Council's financial activity during 2019/20.
- 1.3 The Council's external auditor for the year is Grant Thornton UK LLP (GT).
- 1.4 It should be noted that the accounts remain 'unaudited' until the audit opinion is formally signed and dated by GT and the audit remains open until final

certification. The accounts are therefore subject to change until that point. The Committee will be updated at its meeting on 24 November. In the event of any further changes, it is requested that these be approved by the Chair of the Committee, in consultation with the Director of Finance; any significant changes will be notified to Committee.

## **2. Report to those charged with governance (ISA260)**

- 2.1 The external auditor is required to prepare a Report to those Charged with Governance (ISA260). This report summarises the findings and recommendations associated with this year's audit in respect of the Financial Statements and the Value for Money opinion.
- 2.2 This report is attached (at appendix 2) and will also be presented to the Committee by the auditor.
- 2.3 The auditor also asks the Committee and management for written representations about the financial statements and governance arrangements. To that end, Members are asked to consider and approve the draft letter of representation (appendix 3).

## **3. Pension Fund**

- 3.1 The Council's Statement of Accounts incorporates the annual accounts for the Pension Fund and GT's Report to those Charged with Governance (ISA260) includes commentary on the audit of the Pension Fund accounts.
- 3.2 The Pension Fund Annual Report is attached at Appendix 4. This report includes reports on the various aspects of the operation of the Fund – investments, administration and funding, as well as the Pension Fund financial statements. The Committee are required to approve the Annual Report, so that it can be published once the audit is complete.
- 3.3 The Pension Fund Annual Report remains subject to the finalisation of audit work.

## **4. Reason for decision**

- 4.1 The Audit and Pensions Committee is required to approve the Council's audited year-end Statement of Accounts before the end of November in accordance with the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Coronavirus) Amendments Regulations 2020 which extend the statutory audit deadline for 2019/20 for all local authorities.

**LIST OF APPENDICES:**

Appendix 1 – London Borough of Hammersmith and Fulham Annual Statement of Accounts 2018/19 (including Pension Fund)

Appendix 2 – Grant Thornton Audit Findings Report (ISA260) (Main Financial Statements and LBHF Pension Fund) *(to follow)*

Appendix 3 – Draft Letter of Representation 2019/20 *(to follow)*

Appendix 4 – Pension Fund Annual Report 2019/20