

STATEMENT OF ACCOUNTS 2020/21 - OUTCOME OF EXTERNAL AUDIT

Audit Committee - 29 March 2022

Report of: Deputy Chief Executive and Chief Officer - Finance and Trading

Status: For Decision

Key Decision: No

Executive Summary: The report set out the external audit findings of the 2020/21 financial statements

This report supports the Key Aim of: effective management of the Council's resources.

Portfolio Holder: Cllr. Matthew Dickins

Contact Officers: Alan Mitchell Ext. 7483

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Recommendation to Audit Committee: That

- (a) the Statement of Accounts 2020/21 be approved and signed (Appendix D).
- (b) the letter of representation (Appendix B) be approved and signed.

Reason for recommendation:

It is a legal requirement under regulation 10 of the Accounts and Audit Regulations 2003 for the audit committee to review and approve the Statement of Accounts.

Introduction and Background

- 1 A draft statement of accounts was reviewed by a working group from the Audit Committee on 25 August 2021.
- 2 The statutory deadline for the Financial statements to be audited was 30 September but for a number of reasons this deadline was not met. This has been a national issue with 91% of audits not being completed by 30 September 2021. The external audit of the accounts began on 6 July. At the time of writing this report the Council has not received the final Audit Findings Report, listed as Appendix A. This report sets out the findings and the changes to the accounts agreed as part of the process. The report

would also normally set out the auditor's Value for Money (VfM) conclusion for 2020/21 but at the time of writing this report this work has not been completed.

- 3 The external auditor Lead Partner, Paul Cuttle from Grant Thornton, will attend the meeting to discuss their report on the 2020/21 audit.
- 4 The Audited Statement of Accounts 2020/21 is attached at Appendix D.
- 5 A draft copy of the letter of representation from the Council to the external auditors is attached at Appendix B.
- 6 The format of the statement has been compiled in line with International Financial Reporting Standards (IFRS). Due to the size of operations, group accounts are now required to incorporate the subsidiary companies.

Review by Working Group

- 7 At the meeting of the working group on 25 August 2021, the Head of Finance explained the financial statements in detail and the most important items in the financial statements highlighted and also provided detailed answers to questions raised by Members.
- 8 Members examined the Statement of Accounts and the Narrative Statement and the report of the working group is appended to this report at Appendix D

Commentary on the Auditor's Report

Audit Findings

- 9 The audit findings have not been received at the time this report was written but will be set out in the Audit Findings Report (Appendix A) and will be issued before the meeting itself. A verbal summary will be provided at the committee meeting.

Value for Money

- 10 Grant Thornton have issued have not completed this work and the findings and report will be reported to a future audit committee.

Summary

- 11 This has been a difficult and challenging year but we would like to express our thanks to Grant Thornton for their efforts in completing the required audit work.

Key Implications

Financial

All financial implications are covered within this report.

Legal Implications and Risk Assessment Statement.

Under section 151 of the Local Government Act 1972 the section 151 officer (Deputy Chief Executive and Chief Officer - Finance and Trading) has statutory duties in relation to the financial administration and stewardship of the authority.

The Audit Committee should review the financial statements and approved under regulation 10 of the Accounts and Audit Regulations 2003, and again, in conjunction with the external auditor's SAS 610 (ISA 260) report to those charged with governance, following completion of the audit. The committee's review of the financial statements should focus on:

- the suitability of accounting policies and treatments
- any changes in accounting policies and treatments
- major judgemental areas
- significant adjustments and material weaknesses in internal control reported by the external auditor.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

Members will note that there are no material issues to be brought to the attention of the Committee and that the external auditor expects to issue an unqualified opinion on the financial statements and value for money conclusion.

Appendices

Appendix A - Grant Thornton Audit Findings Report 2020/21 - To follow

Appendix B - Letter of Representation - Draft

Appendix C - Minutes from the Member Working Group

Appendix D - Audited Statement of Accounts 2020/21

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance and Trading