

Title: Statement of Accounts and Audit Findings Report  
Lead Officer: Mike Snow (01926 456800)  
Portfolio Holder: Councillor Hales  
Wards of the District directly affected: N/A

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## Summary

This report presents the 2020/21 Audited Statement of Accounts to be agreed by the Committee. The External Auditor's Audit Findings Report is also presented. Whilst work on the audit is not concluded, it is expected that the auditors will issue an unqualified audit opinion.

## Recommendation(s)

- (1) That the Committee notes the 2020/21 Audit Findings Report.
  - (2) That the Committee approves the letter of representation on behalf of the Council.
  - (3) That the Committee agrees that the Accounts are not adjusted in respect of the £89k Property Plant and Equipment Valuation.
  - (4) That the Committee approves the 2020/21 Audited Statement of Accounts, with the changes having been made.
  - (5) That the Committee agrees that authority be delegated to the Head of Finance in consultation with the Chairman of Finance and Audit Scrutiny to agree any final changes to the accounts if required from the final work of the external auditors.
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## 1 Background/Information

- 1.1 The draft 2020/21 Statement of Accounts were published on the 16 July. As previously reported, due to the Covid crisis, the statutory deadline for this in the current year has moved in the current year from 31 May to 31 July.
- 1.2 The accounts have subsequently been subject to audit by Grant Thornton, the Council's external auditors. The date for the audited accounts to be signed off has been shifted from 31 July to 30 September. As reported to the Committee in September, the auditors have not been able to complete their work to enable the accounts to be signed off by this date.
- 1.3 There have been two material changes to the accounts, as detailed in Appendix C of the Auditor's report:-
  - £1m adjusted to reduce cash and increase short term debtors
  - £2.851m adjusted to increase pension fund assets so decreasing the net pension liability and unusable reserves. This adjustment was referred to at the last meeting of the Committee.

Both of these adjustments do not impact on the funding available to the Council

- 1.4 The value of Property Plant and Equipment (gross total value in the accounts £542m) is £89k less than the value in the Council's asset register. It is not proposed to adjust for this as it is not deemed material. The cause for this variance is to be investigated and rectified ahead of the 2021/22 Accounts being drafted. Members are requested to agree to this not being adjusted within the 2020/21 Accounts.
- 1.5 The audit of the accounts is now virtually complete, with the Audit Findings Report from the external auditors having been issued (attached). Consequently, Members are asked to approve both the letter of representation (attached) and the Audited Statement of Accounts.
- 1.6 Unfortunately, Grant Thornton will not be able to issue their final audit Statement and so sign off the Accounts until they have finished the items of work still outstanding. Should the final work by Grant Thornton require any further changes to the Council's Statement of Accounts, it is recommended that these are agreed by the Head of Finance in consultation with the Chairman of the Finance and Audit Scrutiny Committee.
- 1.7 The Value for Money work is still to be completed by the Auditors. This does not have to be confirmed alongside the Accounts. Grant Thornton plan to report on the VFM to the December meeting of the Committee. After that, the Auditors should be able to conclude the overall 2020/21 Audit.
- 1.8 It has recently been reported that just 9% of local government bodies' 2020/21 audits were completed by the end of September. This compares to 45% of audits being completed by the target date for 2019/20 and 57% for 2018/19.
- 1.9 Having the audited accounts signed off in the current environment is a major achievement. This has entailed hard work by the Accountancy Team and from officers across the Council, and also from the external auditors. The close working from all involved has been important in enabling the Council to get to this position. The Council is in a far better position here than many local authorities.

## **2 Alternative Options available to Finance and Audit Scrutiny Committee**

- 2.1 No alternative options are presented for consideration.

## **3 Consultation and Member's comments**

- 3.1 As Finance Portfolio Holder, Cllr Hales has commented:-

Whilst it is noted that there is still some work to be done by the Accountants and Auditors before the 2020/21 Statement of Accounts can be signed off, the Council is in a very good position compared to many other authorities, and in view of the on-going challenging circumstances. Thanks are expressed to both the Finance Team and the External Auditors.

## **4 Implications of the proposal**

### **4.1 Legal/Human Rights Implications**

- 4.1.1 N/A

### **4.2 Financial**

- 4.2.1 The original scale fee for the audit agreed by Public Sector Audit Appointments (PSAA) was £41,290. Grant Thornton are seeking £65,540 for the cost of the audit, with details of causes for this increase included in their report. Much of these requirements reflect increased standards and requirements with which they are due to adhere to. The final fee will need to be agreed by PSAA. In

recognition of some these increased requirements, the Government has agreed £15m additional funding towards the cost of the 2021/22 audits, with each local authority due to receive £21,285 towards the increased costs, which will be factored into the 2021/22 Budget.

#### **4.3 Council Plan**

4.3.1 The Council Plan is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the Plan contains several Key projects.

4.3.2 The Council Plan has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found on the Council's website.

4.3.3 The audited accounts support all strands of the Council Plan by way of confirming how the Council is using its resources.

#### **4.4 Environmental/Climate Change Implications**

4.4.1 N/A

#### **4.5 Analysis of the effects on Equality**

4.5.1 N/A

#### **4.6 Data Protection**

4.6.1 N/A.

#### **4.7 Health and Wellbeing**

4.7.1 N/A.

### **5 Risk Assessment**

5.1 The closure of the Accounts continues to be a key project across the Council. This has had detailed action plans, which are closely monitored, and are designed to reduce the risks involved in closing the Accounts and producing the Audited Statement of Accounts.

### **6 Conclusion/Reasons for the Recommendation**

6.1 The Committee are asked to agree the proposed recommendations.

#### **Background papers:**

Statement of Accounts 2020/21

Audit Findings Report

Letter of Representation

### Report Information Sheet

Please complete and submit to Democratic Services with draft report

<b>Committee/Date</b>	Finance & Audit Scrutiny Committee, 3 November 2021	
<b>Title of report</b>	Statement of Accounts and Audit Findings Report	
<b>Consultations undertaken</b>		
<b>Consultee *required</b>	<b>Date</b>	<b>Details of consultation /comments received</b>
<b>Ward Member(s)</b>		N/A
<b>Portfolio Holder WDC &amp; SDC *</b>	22/10/2021	Cllr Hales
<b>Financial Services *</b>	22/10/2021	Andrew Rollins
<b>Legal Services *</b>	25/10/2021	Phil Grafton
<b>Other Services</b>		
<b>Chief Executive(s)</b>	22/10/21	Chris Elliott
<b>Head of Service(s)</b>	22/10/2021	Mike Snow
<b>Section 151 Officer</b>	22/10/2021	Mike Snow
<b>Monitoring Officer</b>	25/10/2021	Phil Grafton
<b>CMT (WDC)</b>		
<b>Leadership Co-ordination Group (WDC)</b>		
<b>Other organisations</b>		
<b>Final decision by this Committee or rec to another Ctte/Council?</b>		Recommendation to :Cabinet / Council .....Committee
<b>Contrary to Policy/Budget framework</b>		No
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>		No
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>		No/Yes, Forward Plan item – scheduled for ..... (date)
<b>Accessibility Checked?</b>		File/Info/Inspect Document/Check Accessibility