

Part A

Report to: **Audit Committee**

Date of meeting: **Thursday, 16 September 2021**

Report author: **Head of Finance**

Title: **Statement of Accounts 2020/21**

1.0 Summary

1.1 The latest draft of the Statement of Accounts 2020/21 are included as an appendix to this report. The draft incorporates updates to the 2019/20 comparator figures and opening balances for 2020/21 following the audit of the 2019/20 accounts.

1.2 Under the Accounts and Audit (Amendment) Regulations 2020, the 2020/21 statement of accounts are required to be approved and published by 30 September 2021.

1.3 As the audit work for the accounts is ongoing, further changes may be required to the statement of accounts prior to the approval of the accounts. Delegated authority is sought from the Committee to enable the Section 151 Officer (Director of Finance) to make any necessary changes ahead of approval by the Section 151 Officer and Chair of the Committee.

1.4 It is expected that any changes to the draft accounts will be technical accounting adjustments that will not impact on the Council's year end position, general fund balance or other useable reserves.

2.0 Risks

2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
The Statement of Accounts 2020/21 are not approved and audited within the statutory timeframe	Failure to comply with statutory timeline impacts on audit opinion	Proactive liaison with the external audit team	Tolerate	4

3.0 Recommendations

3.1 Audit Committee are recommended to:

- Approve the Statement of Accounts for 2020/21 subject to any final adjustments by the Section 151 Officer (Director of Finance)
- Agree that the Section 151 Officer be delegated to finalise the Statement of Accounts for 2020/21 in consultation with the Chair of the Audit Committee
- Agree that the Committee authorise and instruct the Chair to sign the Statement of Accounts for 2020/21 once finalised and signed by the Section 151 Officer to confirm that the Statement of Accounts presents a true and fair view of:
 - (a) the financial position of the authority at the end of the financial year to which it relates; and
 - (b) that authority's income and expenditure for that financial year

Further information:

Hannah Doney

Hannah.doney@threerivers.gov.uk

Report approved by: Alison Scott, Director of Finance

4.0 Detailed proposal

- 4.1 The Statement of Accounts 2020/21 have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting (the Code). The Code specifies the principles and practices of accounting required to prepare financial statements which give a true and fair view of the financial position and transactions of a local authority.
- 4.2 The Accounts and Audit Regulations 2015 set out the statutory timeframe for the publication of the draft statement of accounts, period for the exercise of public rights, and conclusion of the audit. As occurred last year for the 2019/20 accounts, the Ministry of Housing Communities and Local Government (MHCLG) has recognised that COVID-19 has placed significant pressure on local authorities and that this has required reprioritisation of staff and resources. Therefore, the regulations have again been amended to extend the statutory deadlines. The Accounts and Audit (Amendment) Regulations 2021 require:
- draft accounts to be authorised for issue by 31 July 2021
 - the period for the exercise of public rights to begin on or before the first working day of August
 - publication of the approved statement of accounts and audit opinion by 30 September 2021

- 4.3 The draft Statement of Accounts for 2020/21 was authorised for issue by the Section 151 Officer (Director of Finance) on 31 July 2021. The 30 working day period for the exercise of public rights commenced on 2 August 2021 and will conclude on 10 September 2021. The notice advertising the accounts for public inspection was published on the [Council's website](#).
- 4.4 The latest draft accounts are included as an appendix to this report. The draft has been updated to reflect the adjusted comparative figures for 2019/20 and relevant opening balances following the audit of the 2019/20 accounts.
- 4.5 The audit of the 2020/21 accounts is ongoing and it is possible that as the audit progresses further changes may be agreed to the draft statement of accounts.
- 4.6 It is expected that any changes to the accounts will be technical accounting adjustments that will not impact on the Council's year end position, general fund balance or other useable reserves.
- 4.7 It is likely that the auditors will not be able to issue the audit opinion by the deadline of 30 September. This is primarily due to the impact of the delay in finalising the 2019/20 audit and is a national issue. Officers will continue to work closely with the external audit team to ensure that the audit is concluded as expeditiously as possible. This issue is common across the sector.
- 4.8 In the event that the audit opinion is not received by the 30 September the Council is required to publish a statement on the Council's website which will be agreed with the auditors.

5.0 **Implications**

5.1 **Financial**

- 5.1.1 The Shared Director of Finance comments that there are no financial implications arising from the consideration of the draft Statement of Accounts.

5.2 **Legal Issues** (Monitoring Officer)

- 5.2.1 The Head of Democracy and Governance comments that there are no legal implications of this report.

5.3 **Equalities, Human Rights and Data Protection**

- 5.3.1 There are no implications of this report.

5.4 **Staffing**

5.4.1 There are no implications of this report.

5.5 **Accommodation**

5.5.1 There are no implications of this report.

5.6 **Community Safety/Crime and Disorder**

5.6.1 There are no implications of this report.

5.7 **Sustainability**

5.7.1 There are no implications of this report.

Appendices

- Latest Draft Statement of Accounts 2020/21

Background papers

No papers were used in the preparation of this report.