

Audit & Governance Committee: 17<sup>th</sup> November 2021

**AUDITED 2020/21 STATEMENT OF ACCOUNTS**

1. Purpose of Report

1.1 This report presents the Council's revised 2020/21 Statement of Accounts, following the statutory audit period.

2. Recommendation

2.1 It is recommended that:

- **The Audit & Governance Committee notes the revised 2020/21 Statement of Accounts following the statutory audit period;**
- **The Audit & Governance Committee formally recommends approval of the audited statement of accounts to Full Council at the meeting on the 25<sup>th</sup> November 2021.**

3. Introduction / Background

3.1 During 2019/20, given the exceptional circumstances that the Authority had been working through in respect of the COVID-19 pandemic, the Government passed The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 in April 2020 which allowed local authorities the additional flexibility and discretion in respect of when they lodge their accounts with their auditors, with the latest date being the end of August 2020.

3.2 During the last 18 months, a review has been undertaken by Sir Tony Redmond on the oversight of local audit and the transparency of local authority financial reporting, named The Redmond Review. One of the areas of focus of the review related to the timescales that both local authorities and external auditors have to comply with as a result of a significant proportion of the audits not meeting the existing statutory deadlines.

3.3 As a result, a recommendation from the review was that for two years (2020/21 and 2021/22), the statutory deadline for the external auditor's final opinion would be extended from 31<sup>st</sup> July to 30<sup>th</sup> September, after which time, the Government will assess the impact. The equivalent statutory date for local authorities to submit their draft accounts was by the end of July.

3.4 The Council met its statutory obligation of lodging its draft statement of accounts with the External Auditor by the end of July 2021.

3.5 It has been previously communicated [Audit Plan – July 2021] that the External Auditor would not meet the 30<sup>th</sup> September 2021 deadline due to resource capacity constraints and that the revised target date would be the 30<sup>th</sup> November 2021.

3.6 Members of the Committee will be aware that the External Auditors for 2020/21 are Grant Thornton.

#### 4. Current Position

- 4.1 The Council's Auditors, Grant Thornton, commenced their audit work in early August and to date, have practically completed all work on the audit of the Council's 2020/21 financial statements. There remains a relatively low level number of queries outstanding, none of which are expected to impact on the Auditor's opinion on the accounts.
- 4.2 The ISA 260, which is the formal report from the Auditors to 'those charged with governance', is presented to Members of the Committee on this agenda for comment. Please note, this covering report is not intended to take Members through the ISA 260 Report.
- 4.3 Following practical completion of the audit, a number of amendments are proposed to be made to the accounts presented in June, following discussion with the External Auditors.
- 4.4 The proposed changes relate to a number of presentational adjustments made to the accounts, again, as outlined within the External Auditor's report.
- 4.5 The revised set of accounts, complete with tracked changes from the draft set of accounts is attached at Appendix 1 and has been updated to reflect this change.

#### 5. Consultations

- 5.1 The Statement of Accounts has been prepared in conjunction with all Executive Directors and Financial Services support staff. The audit process has been overseen by the Council's s151 Officer and the Audit Lead from Grant Thornton. External Audit has a statutory obligation to issue their opinion on the Council's accounts by no later than 30<sup>th</sup> September 2021.

#### 6. Local Area Implications / Compatibility with European Convention on Human Rights / Reduction of Crime and Disorder / Risk Assessment

- 6.1 No direct implications.

#### 7. Proposal

- 7.1 That the Auditor submits their ISA 260 Report, along with the Service Director Finance (the Council's s151 Officer) submitting the revised, audited 2020/21 Statement of Accounts to the Full Council meeting of the 25<sup>th</sup> November 2021 for consideration and comment.

#### 8. Financial Implications

- 8.1 The Authority's revised statutory financial statements for the financial year 2020/21 are attached at Appendix 1 to this report with 'tracked changes' to allow Members sight of the amendments being made as part of the audit process, since the draft accounts which were considered by Members in July.

#### 9. Employee Implications

- 9.1 No direct implications.

- 10. Glossary
- 10.1 CIPFA - Chartered Institute of Public Finance and Accountancy
- 11. List of Appendices
- 11.1 Appendix 1 – Audited Statement of Accounts 2020/21
- 12. Background Papers
- 12.1 Various closedown files, working papers and external audit schedules are available for inspection within the Finance Business Unit.

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