

BARNSELY METROPOLITAN BOROUGH COUNCIL

REPORT OF: SERVICE DIRECTOR FINANCE (S151 OFFICER)

TITLE: AUDITED 2021/22 STATEMENT OF ACCOUNTS

REPORT TO:	Audit & Governance Committee
Date of Meeting	16th November 2022
Cabinet Member Portfolio	Councillor Alan Gardiner
Key Decision	YES
Public or Private	Public

Purpose of report

This report presents the Council's revised 2021/22 Statement of Accounts, following the statutory audit period.

Recommendations

It is recommended that:

- **The Audit & Governance Committee notes the revised 2021/22 Statement of Accounts following the statutory audit period;**
- **The Audit & Governance Committee notes the Council's Letter of Representation;**
- **The Audit & Governance Committee formally recommends approval of the audited statement of accounts & Letter of Representation to Full Council at the meeting on the 24th November 2022.**

1. INTRODUCTION

- 1.1 In typical years, the Council has followed The Accounts and Audit Regulations 2015 which sets out the requirements for the production and publication of its financial statements. The main requirement was that the Council should lodge a Code of Practice on Local Authority Accounting (the Code) compliant set of accounts with the External Auditor by no later than 31st May.
- 1.2 During the last 2 years, 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.
- 1.3 As a result, a recommendation from the review was that for two years (covering the

period 2020/21 and 2021/22), the statutory deadline for the external auditor's final opinion would be extended from 31st July to 30th September, after which time, the Government would assess the impact. Since this review, in December 2021, further proposed measures were announced by Government to support the timely completion of local government audits and the ongoing stability of the local audit market. The proposals include extending the published/audited deadline to 30 November 2022 for the 2021/22 accounts, then reverting to 30 September for five years until 2027/28.

- 1.4 The Council met its statutory obligation of lodging its draft statement of accounts with the External Auditor by the end of July 2022.
- 1.5 Members of the Committee will be aware that the External Auditors for 2021/22 are Grant Thornton.

2. CURRENT POSITION

- 2.1 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 2021/22 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.
- 2.2 However, Members should note that there is a national issue affecting all local authorities that hold infrastructure assets [roads, footpaths, bridges etc.] in respect of the valuation and presentation of those assets. The Council is awaiting clarity from the Government in terms of an expected statutory override in respect of the treatment of these assets which would allow a departure away from the Code of Practice requirements for 2021/22.
- 2.3 Effectively, these accounts will remain draft until the above issue is resolved. Members will be updated accordingly in due course upon resolution.
- 2.4 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.
- 2.5 Following practical completion of the audit, a number of minor amendments are proposed to be made to the draft accounts presented in July, following discussion with the External Auditors.
- 2.6 The proposed changes relate to a number of presentational adjustments made to the accounts, again, as outlined within the External Auditor's report.
- 2.7 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 these changes.
- 2.8 Also, at Appendix 2, is the Council's Letter of Representation to the Auditors for Members' information.

3. PROPOSAL

- 3.1 That following receipt of the Auditor ISA 260 Report, the Service Director Finance (the Council's S151 Officer) submits the revised, audited 2021/22 Statement of Accounts to the Full Council meeting of the 24th November 2022 for consideration and comment.

4. IMPLICATIONS OF THE DECISION

Financial Implications

- 4.1 The Authority's revised statutory financial statements for the financial year 2021/22 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.
- 4.2 **Risks** - There are no issues arising directly from this report.
- 4.3 **Legal** - There are no issues arising directly from this report.
- 4.4 **Equality** - There are no issues arising directly from this report.
- 4.5 **Sustainability** - There are no issues arising directly from this report.
- 4.6 **Employee** - There are no issues arising directly from this report.
- 4.7 **Communications** - There are no issues arising directly from this report.

5. CONSULTATION

- 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 30th November 2022.

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1 There are no alternative options to be considered

7. REASONS FOR RECOMMENDATIONS

- 7.1 This report and appendices are required to be approved to the Council's Full Council on the 24th November 2022.

8. GLOSSARY

CIPFA - Chartered Institute of Public Finance and Accountancy

9. LIST OF APPENDICES

- 9.1 Appendix 1 – Statement of Accounts 2021/22 – Tracked Changes
9.2 Appendix 2 – Letter of Representation 2021/22

10. BACKGROUND PAPERS

- 10.1 Various closedown files, working papers and external audit schedules are available for inspection within the Finance Business Unit.

11. REPORT SIGN OFF

Financial consultation & sign off	Neil Copley 8 th November 2022
Legal consultation & sign off	

Report Author: Neil Copley
Post: Service Director – Finance (S151 Officer)
Date: 8th November 2022