

Audit and Governance Committee

2 February 2022

Report of the Chief Finance Officer

Annual Financial Report - Statement of Accounts 2020/21

Summary

1. This report presents the final set of accounts for 2020/21, which follow draft pre-audit accounts previously presented on 28 July 2021.

Recommendations

2. Members are asked to
 - (a) Note the matters set out in the Audit Completion Report presented by the external auditor in the previous agenda item and summarised in this report.

Reason

To ensure the proper consideration of the opinion and conclusions of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money.

- (b) Approve the amended Annual Financial Report at Annex A for signature by the chair from a resolution of this Committee in accordance with the Accounts and Audit Regulations 2015.

Reason

To ensure compliance with the International Auditing Standards and other relevant legislative requirements.

Background

3. The International Standard on Auditing (ISA) 260 requires the Council's External Auditor to report to those charged with governance any issues arising from the audit of the financial statements. It is also a statutory requirement that the Council approves the final statement of accounts after the audit and by 31st July each year.

Analysis

4. The accounts attached at Annex A have been revised since the unaudited version was reported to the Audit & Governance Committee meeting in July 2021. A number of amendments have been made to the financial statements and supporting notes, mostly to try and improve the information contained within the accounts. The main changes related to how the Covid grants passed to business were presented in the accounts, and to move the Dedicated Schools Grant (DSG) reserve from usable reserves to an unusable reserve in response to updated Cipfa guidance. All the changes made have been highlighted in the accounts attached at Annex A.
5. It should also be noted that these changes have no impact on the outturn position of the council as all the changes made are technical accounting and presentational adjustments.
6. The details of changes made are included in appendix A of the Audit Completion Report also on this agenda, which highlights the auditor's view on whether the Council has made proper arrangements to secure economy, efficiency and effectiveness in our use of resources. This is split into two parts, the Statement of Accounts, and Value for money assessment.
7. The annual production of the accounts is the subject of a continuous review and, as usual, areas for improvement will be identified as a result of any issues identified this year. Any subsequent items identified in the last few days of the audit work will be reported verbally at the meeting

Consultation

8. The content of the report of the external auditor has been discussed with the relevant responsible officers. It is reported here for due consultation with those members charged with governance at the council.

Options

9. Not applicable.

Corporate Priorities

10. The Annual Financial Report provides a technical financial summary of the activities of the council and assists in providing the Council with a viable financial position on which to base future budget projections, as

well as contributing to the overall effectiveness of the Council's governance and assurance arrangements.

Implications

11. There are no financial, HR, equalities, legal, crime and disorder, IT or property implications arising from this report

Risk Management

12. Areas of risk identified throughout the annual accounts process are monitored and managed on an ongoing basis to ensure the statutory deadline is met.
13. The Council will fail to comply with legislative and best practice requirements to provide for a proper audit of the Council if it does not consider this report or approve and sign the Annual Financial Report.

Authors:

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Chief Officer responsible for the report:

Debbie Mitchell
Chief Finance Officer

**Report
Approved**

Date 25/01/2022

Wards Affected: All

For further information please contact the author of the report

Background Papers:

Audit & Governance Committee 28 July 2021 – Pre Audit Statement of Accounts 2020/21

Annex:

Annex A Final Statement of Accounts 2020/21