

Report of the Chief Finance Officer (S151 Officer)

Statement of Accounts 2020/21

Summary

1. The purpose of this report is to present for information the draft 2020/21 Statement of Accounts before they are audited.

Recommendation

2. Audit & Governance Committee note the draft pre-audit statement of accounts, for the financial year ended 31 March 2021.

Reason: To ensure that, in line with best practice, Members have had the opportunity to review the draft pre-audit Statement of Accounts.

Background

3. The Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 amended the statutory deadlines to prepare draft Accounts by 31st May to 31st July, and approve final audited accounts from 31st July to 30th September. We are pleased to report that the draft Accounts were ready for audit and inspection on 14th June, 7 weeks ahead of the revised deadline.
4. The Council has to prepare an annual Statement of Accounts and present them to Audit & Governance Committee. Members are not being asked, at this stage, to approve these draft pre-audit accounts. The Chief Financial Officer has already signed the draft accounts ahead of the amended statutory deadline of 31st July and the audited accounts will be brought back to this Committee in September for approval on behalf of the Council.

5. Following the authorisation of the Chief Finance officer on 11th June, the accounts were available for public inspection for a period of 30 working days from 14th June until 23rd July. During this period local government electors for the area were able to exercise their rights to question the auditor about the accounts. Mazars are the Council's external auditors and they expect to issue a report and opinion by the end of September.
6. There has been a high number of queries again this year. A total of 37 questions have been asked with some 20 follow up queries to the information provided. The key areas where information was requested include the purchase and disposal of assets, the cost of empty properties, loans, write offs of debt, expenditure on external legal advice, member expenses, earmarked reserves, taxi accounts, s106 schedules and the cost of travellers sites.
7. The pre-audit Statement of Accounts 2020/21 has been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK and is produced in line with International Financial Reporting Standards (IFRS) which are the accounting standards used across the world making Local Authorities' Accounts more comparable with the private sector and worldwide.
8. The first section of the accounts (the Narrative Report) explains the main information included in the accounts, gives an overview of the Council and provides further information about the most significant matters reported in the accounts, along with an analysis of the pressures and risks that may impact on future financial performance.
9. The impact of the Covid-19 pandemic and the subsequent lockdowns is discussed in detail in section 10 in the narrative report.

Options

10. As this is a statutory requirement, no options are presented as part of this report.

Corporate Priorities

11. The Statement of Accounts 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. It is a statutory requirement that the accounts are approved by the Audit & Governance Committee after the audit by 30th September 2021.

Implications

12. The implications are

- Financial – The Statement of Accounts show that for 2020/21 there is a provisional over spend of £1.3m that has been funded from reserves and contingency. The full details of the outturn position were reported to Executive on 24th June 2021.
- Human Resources - there are no human resource implications to this report
- Equalities - there are no equality implications to this report
- Legal - there are no legal implications to this report
- Crime and Disorder - there are no crime and disorder implications to this report
- Information Technology - there are no information technology implications to this report
- Property - there are no property implications to this report
- Other - there are no other implications to this report

Risk Management

13. Areas of risk identified throughout the final accounts process are monitored and managed on an ongoing basis to ensure the statutory deadline is met.

Conclusion

14. The production and publication of the statement of accounts is a statutory requirement that provides members and interested parties with the chance to see the full financial position of the Council.

15. Bringing the statement of accounts to audit & governance provides an opportunity for Member led debate and compliance with defined best practice. It is an important part of member involvement in corporate governance that scrutiny is undertaken of the Council's accounts.

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Report approved Date

Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all* **All**

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For further information please contact the author of this report

Annexes

- A – Explanation of core statements
- B – Draft Statement of Accounts 2020/21

Abbreviations:

IFRS – International Financial Reporting Standards
CIPFA – Chartered Institute of Public Finance and Accountancy
IAS - International Accounting Standard