

Statement of Accounts 2020/21

Report of the Head of Finance & Revenues

Recommended:

1. **Ernst & Young's Annual Audit Results Report (Annex 1):**
 - a. **That the matters raised in the report be considered before authorising the financial statements for issue,**
 - b. **That the proposed audit opinion and value for money conclusion be noted.**
2. **That the letter of representation (Annex 2) be approved.**
3. **That the audited Annual Statement of Accounts for the financial year 2020/21 (Annex 3) be approved.**

SUMMARY:

- The Council is required to prepare an Annual Statement of Accounts and have those accounts audited. This report presents the audited Annual Statement of Accounts for approval together with the Annual Audit Results Report of the Council's external auditors, Ernst & Young.
- The Statement of Accounts is presented with an unqualified opinion; this means the auditors have found no unadjusted material errors or misstatements in the accounts.

1 Introduction

- 1.1 The Council is required to produce and approve an Annual Statement of Accounts for each financial year.
- 1.2 The accounts for the year ended 31 March 2021 have now been audited by Ernst & Young (EY) and the Annual Statement of Accounts, together with the auditor's Annual Audit Results Report are presented here for approval.

2 Ernst & Young's Annual Audit Results Report

- 2.1 As part of the reporting process, EY produce an Annual Audit Results Report (AARR). This is shown in Annex 1.
- 2.2 The AARR details the approach taken by EY in assessing risk and materiality for audit planning. It also explains the findings in respect of the audit of the accounts and investigations into the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

2.3 An unqualified opinion is expected to be given on the Annual Statement of Accounts. This means that the auditors have found no material areas of concern as part of their audit where suitable adjustments to the accounts have not been made.

3 2020/21 Statement of Accounts

3.1 The accounts were prepared in accordance with statutory guidance and deadlines.

3.2 The Head of Finance & Revenues approved the draft financial statements for audit on 30th June 2021. Following this, the accounts were submitted to EY along with the associated working papers in order that the audit could be carried out.

3.3 The deadline for publishing audited accounts was moved from its regular date of 31st July 2020 to 30th September 2021. This was to make some allowance for the impact that coronavirus would have on both the Council and auditor resources, additional work that would be required as a result of the pandemic and having to carry out the audit without relying on on-site attendance for the bulk of the audit work.

3.4 Despite this extension to the reporting deadline, the majority of Councils were unable to sign off their audits before the end of September (c9%). EY's Audit Manager gave a verbal update on the progress of the audit to the Audit Panel meeting on 22nd November 2021.

3.5 Aside from minor presentational changes, there was one area where a change to the accounts was made from the version that was approved for audit.

3.6 This change relates to the reduction of the value used for the valuation of pension fund assets at the balance sheet date. The change was required as a result of new information becoming available, after the accounts had been approved for audit, that related to impairment of the fund's assets. As the new information relates to a condition that existed at the balance sheet date, it has been necessary to amend the accounts.

3.7 Before approving the Annual Statement of Accounts, Councillors should consider the Council's Annual Governance Statement shown at the end of the Statement of Accounts (Annex 3). This remains unchanged from the statement approved by Council on 9th June 2021.

4 Conclusion and reasons for recommendation

4.1 The Statement of Accounts presented with this report is recommended to be approved by the General Purposes Committee as the Council's audited Statement of Accounts for 2020/21.

4.2 It is expected that EY will issue an unqualified opinion in respect of both the Annual Statement of Accounts.

- 4.3 The reason for the recommendation is to comply with a statutory duty to approve the Council's audited Statement of Accounts each year.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	3	File Ref:	
(Portfolio: Finance & Resources) Councillor Flood			
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Report to:	General Purposes Committee	Date:	12 January 2022