

Name of meeting: Corporate Governance and Audit Committee
 Date: 24rd September 2021
 Title of report: Approval of the Council's final accounts for 2020/21

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Key Decision: Yes Private Report/Private Appendix: N/A
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by Strategic Director & name Is it also signed off by the Service Director for Finance, IT and Transactional Services? Is it also signed off by the Service Director – Legal Governance & Commissioning?	Eamonn Croston 15/7/2021 Julie Muscroft 15/7/2021
Cabinet member portfolio - Corporate	Cllr Shabir Pandor Cllr Paul Davies

Electoral wards affected: N/A
 Ward councillors consulted: N/A
 Public or Private: Public

GDPR: This report contains no information that falls within the scope of General Data Protection Regulations.

1 Summary

The report updates Members on the final accounts and audit processes for 2020/21 and asks Members of this Committee to approve the Council's Statement of Accounts for 2020/21 and a final version of the Annual Governance Statement.

The preparation of the Statement of Accounts is a statutory requirement and local authorities are normally required to have them signed by the section 151 Officer by 31 May and published with an Audit Certificate by 31 July, following the end of the financial year. However, in a sector-wide response to the consequences of the COVID-19 pandemic and noting the recommendations from the Redmond Review, the statutory deadline for the production of the Unaudited Statement of Accounts for 2020/21 was revised. For the Council the revised deadline is 31 July. The accompanying deadline for the completion of the audit was also amended to 30 September.

Despite the significant challenges to the Council's finance team dealing with multiple competing demands, the draft accounts were completed and signed by the Council's Service Director - Finance on 9 July 2021. There were no queries or objections raised in the six week public inspection period. The audit of the 2020/21 Statement of Accounts is substantially complete and the Council's auditors, Grant Thornton, have issued their annual governance report (ISA 260). The draft Annual Governance Statement was approved by this Committee at its August meeting. Following consideration of this report, the Committee is responsible for the approval of the Council's accounts and the final version of the Annual Governance Statement.

2 Information required to take a decision

- 2.1 The process for producing the accounts went smoothly and the draft accounts were signed on 9 July 2021 by the Service Director- Finance. This is prior to the statutory sign off deadline of 31 July 2021. The draft accounts have been available to view on the Council's website.
- 2.2 The six week period when the public are permitted to inspect the accounts started on 9 July and finished on 19 August 2021. During this period, local electors can ask the auditor questions about or raise objections to items in the accounts. There were no queries or objections raised.
- 2.3 It is anticipated that Grant Thornton will issue an unqualified opinion on the Council's Statement of Accounts by 30 September. Grant Thornton have issued their annual governance report (ISA 260). The report summarises significant findings, conclusions and recommendations arising from audit work throughout the year and will have been presented to Members earlier at this meeting.
- 2.4 The auditor's report comments that the Council produces high quality and materially correct financial statements, the quality of working papers provided was good and queries have been responded to in an acceptable timeframe. No material misstatements have been identified. The accounts have been amended for typographical corrections and a few minor disclosure errors, and in addition the disclosure on events after the balance sheet date (page 48) has been updated. A final version of the Statement of Accounts is contained in Appendix A.

- 2.5 In line with the new Code of Audit Practice, the auditor's Value for Money (VFM) report, which provides a judgement on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit, will follow on separately. The new Code requires the VFM report to be completed and issued within 3 months after the Statement of Accounts audit opinion is issued.
- 2.6 The Council's draft Annual Governance Statement was approved at the Committee's 13 August meeting. It has been slightly updated and is included at the back of the Statement of Accounts 2020/21, pages 136 to 154. The Leader of the Council and the Chief Executive have formally signed the Statement and now this Committee is asked to approve it.
- 2.7 The auditor seeks a Letter of Representation from the Section 151 Officer and the Chair, including confirmation that this Committee has considered this item and the comments in the Annual Governance Report. A copy is included as Appendix B.
- 2.8 It is important that the Council has sound financial, governance and resources management arrangements in place to ensure that resources are available and used to support the Council's priorities, improve services and secure value for money for our tax payers. Specifically in respect of financial statements members are expected to "exercise collective responsibility for, and prioritise, financial reporting and demonstrate robust challenge and scrutiny". To assist councillors in this regard, an explanatory paper was provided to members of this committee along with a copy of the Unaudited Statement of Accounts on 12 July 2021.

3 Implications for the Council

Council funds support the delivery of the following Council objectives and priorities:

- 3.1 **Working with People**
N/A
- 3.2 **Working with Partners**
N/A
- 3.3 **Placed based working**
N/A
- 3.4 **Improving Outcomes for Children**
N/A
- 3.5 **Climate Change and Air Quality**
N/A

3.6 Other (e.g. Legal/Financial or Human Resources)

The annual statement of accounts are subject to external validation by appointed auditors to ensure that Council funds are also properly accounted for.

4 Consultees and their opinions

The main consultation has been with Grant Thornton leading to their report.

5 Next steps

The accounts will be formally published. The conclusion of the audit will be advertised on the Council's website.

6 Officer recommendations and reasons

Corporate Governance and Audit Committee are recommended to approve:

- (i) The Statement of Accounts 2020/21 incorporating the Annual Governance Statement (Appendix A), with the Chair certifying the Statement of Responsibilities on page 22 upon completion of the audit.
- (ii) The Letter of Representation (Appendix B), with the Chair signing it on behalf of the Committee upon completion of the audit.

7 Contact officer

James Anderson Head of Accountancy 01484 221000

Background Papers and History of Decisions

Accounts and Audit Regulations 2015

Local Audit and Accountability Act 2014

The Accounts and Audit (Amendment) Regulations 2021

8 Service Director responsible

Eamonn Croston 01484 221000