

AUDIT COMMITTEE

24 January 2023

FINAL Statement of Accounts 2021/22

Cabinet Member Responsible Officer	Cllr Bob Deed, Leader and Cabinet Member for Finance Andrew Jarrett, Deputy Chief Executive (S151)
Reason for Report:	To present the <u>final</u> version of the annual Statement of Accounts to Members following the conclusion of the external audit.
RECOMMENDATION:	That the final Statement of Accounts be approved as a true and fair view of the financial position of the Council as at 31 March 2022.
Relationship to Corporate Plan:	The financial resources of the Council impact directly on its ability to deliver the Corporate Plan. The Statement of Accounts indicates how the Council's resources have been used to support the delivery of budgetary decisions.
Financial Implications:	Good financial management and administration underpins the entire document.
Legal Implications:	It is a statutory requirement to follow the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) when producing the Statement of Accounts.
Risk Assessment:	The Section 151 Officer is responsible for the administration of the financial affairs of the Council. Adhering to the Code mitigates the risk of receiving a qualified set of accounts. The Finance Team has also reviewed its overall calculations/workings against the CIPFA published Disclosure Checklist for 2021/22.
Equalities Impact Assessment:	No equality issues identified with this report.
Impact on Climate Change:	No impacts identified for this report.

1.0 Introduction

- 1.1 The Statement of Accounts for 2021/22 have been produced in full compliance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and all other relevant accounting legislation. There were no material changes for 2021/22 in the Accounting Standards.

2.0 The Statement of Accounts

2.1 The Unaudited Statement of Accounts 2021/22 were signed off by the Council's S151 Officer in May 2022 – well within the currently relaxed statutory deadline and before the start of the external audit review due to begin in September. The draft accounts have been available on-line since the 01 June 2022. The period of public inspection ran between 6 June to 15 July 2022 and no requests were made to view the accounts or objections have been received. Audit Committee reviewed the draft accounts at its August 2022 meeting.

3.0 The Audit

3.1 The Council's external auditor began the main audit in early September. The audit will conclude if the Accounts have been compiled in line with regulations and accounting standards. The finance team have worked closely with the audit team to ensure all evidence is provided in a timely manner, along with further evidence provided by third parties, for example the Actuary and the District Valuer.

3.2 Whilst the information has been provided, some elements of the audit assessment continue at this time, although no material issues are expected. Therefore the audit is now substantially complete and an unqualified opinion has been given. Grant Thornton's report is included separately on the agenda for this meeting and will cover in detail their findings.

4.0 Key Differences from the prior year

4.1 There have been some minor changes to the draft account previously reviewed by the Committee in August, along with some minor corrections to narrative, grammar and improving the explanation of the values within the Accounts. In summary, these are:

- Note 1 – increased clarification around IFRS 16; that the council has not implemented it and therefore has not assessed the likely impact at this time;
- Note 11 – £10,000 amendment to Rental Income within “Other GF Land and Buildings to remove income from People's Park incorrectly declared;
- Note 14 – clarification in the narrative that the audit fee for 2021/22 is £62,080;
- Note 21 – Amendment to the “Rate for discounting scheme liabilities” from 2.0% to 2.6%;
- Note 55 – clarification of the treatment of prior year grant income;
- Group Accounts – amendment of two figures consolidated into the group accounts following adjustments to the draft financial statements of 3 Rivers Developments Ltd as a result of their audit. This is explained within the Audit Findings report.

5.0 The Council's Governance Arrangements

5.1 The Annual Governance Statement (AGS) was also reviewed by the Committee at its meeting in August 2022. The report was written by Devon Audit Partnership taking into account external and internal audit reviews and feedback from the Senior Leadership Team. It includes a review of the effectiveness of the Council's governance arrangements and concludes that the existing arrangements remain fit for purposes and help provide reasonable assurance of their effectiveness. As the AGS is approved alongside the accounts, it has been updated to give more clarity on the outcomes and resulting actions arising from the Peer Review (para 6.3).

6.0 The Value for Money Audit

6.1 Our external auditors, Grant Thornton, will also be reviewing our arrangements to secure economy, efficiency and effectiveness in our use of resources. The audit is due to commence shortly and aims to conclude in time for the March Audit Committee.

7.0 Conclusion

7.1 Members are asked to approve that the 2021/22 Statement of Accounts reflect a true and fair view of the financial position of the Council as at 31 March 2022.

**Contact for more
information:**

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Background Papers:

Audited Statement of Accounts 2021/22

Circulation of the Report:

Cllr Bob Deed