

## **HIGH PEAK BOROUGH COUNCIL**

### **Audit & Regulatory Committee**

**1 December 2021**

<b>TITLE:</b>	<b>Statement of Accounts 2020/21</b>
<b>EXECUTIVE COUNCILLOR:</b>	<b>Councillor Barrow - Executive Councillor for Corporate Services and Finance</b>
<b>CONTACT OFFICER:</b>	<b>John Betts - Interim Executive Director Finance and Revenues &amp; Benefits</b>
<b>WARDS INVOLVED:</b>	

#### **Appendix A : High Peak Draft Statement of Accounts**

**[https://www.highpeak.gov.uk/media/6711/Draft-Statement-of-Accounts-2020-21/pdf/01\\_High\\_Peak\\_Draft\\_SOA\\_2021.pdf?m=1627653119607](https://www.highpeak.gov.uk/media/6711/Draft-Statement-of-Accounts-2020-21/pdf/01_High_Peak_Draft_SOA_2021.pdf?m=1627653119607)**

#### **Appendix B: Chief Finance Officer Review of Accounts**

#### **Appendix C: Glossary of Financial Terms**

##### **1. Reason for the Report**

- 1.1 To allow for the scrutiny of the Statement of Accounts 2020/21, in compliance with the legislative provisions relating to financial reporting and the Council's commitment to transparency and accountability in the stewardship of public funds.

##### **2. Recommendation**

- 2.1 That Members approve the Statement of Accounts 2020/21.

##### **3. Executive Summary**

- 3.1 The Executive Director & Chief Finance Officer is responsible for the preparation of the Council's financial statements. These, prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice') and based on International Financial Reporting Standards (IFRS), are required to present 'a true and fair view' of the financial position of the Council at the accounting date (period ended 31st March 2021).
- 3.2 Part 2, Section 8(2) of The Accounts and Audit (England) Regulations 2011 state that the Chief Finance Officer signs the Statement of Accounts by 31<sup>st</sup> May each year certifying that the accounts represent a 'true and fair view' of

the Authority's financial position. Owing to the Covid 19 pandemic this deadline was pushed back to the 31<sup>st</sup> July 2021. The unaudited Statement of Accounts was published by this deadline.

- 3.3 In response to the Covid 19 pandemic the new deadline for publication for the final, audited accounts is 30th September 2021 (normally 31st July). The formal public inspection period was also delayed and commenced on 7<sup>th</sup> September for 15 working days. The External Auditors (Grant Thornton) indicated that they would not meet the deadline of 30<sup>th</sup> September, so the report on the Statement of Accounts was moved to this Audit committee meeting. A note on the delay was published on the Council's website, in accordance with Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015 (as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021). There is no formal sanction for late publication of the audited Statement of Accounts<sup>1</sup>. A report to the previous meeting<sup>2</sup> indicates that late delivery of audited accounts is a systemic issue and not one unique to this Authority or its external auditors.
- 3.4 The Council also received a letter from Grant Thornton, on 22 September 2021, published under the 2020 Code of Audit Practice. The National Audit Office has updated its guidance to auditors to allow them to postpone completion of work on arrangements to secure value for money and instead focus resources on the delivery of the opinion on the financial statement. As a result, the external auditors expect to issue their Annual Report, including the commentary on arrangements to secure value for money, no later than 31 January 2022. The committee will, therefore, need to consider the Annual Report at a later meeting.
- 3.5 Covid 19 has also directly impacted the financial statements by significantly increasing the level of uncertainty included in the assumptions behind the estimated values reported by the Authority. The items in the Authority's Balance Sheet at 31 March 2021 for which there is, therefore, a significant risk of material adjustment in the forthcoming financial year, are asset valuations and the pension liability.
- 3.6 Members' are asked to approve the audited Statement of Accounts 2020/21 (see Appendix A for draft accounts). In doing so, the Chair of the Audit & Regulatory Committee will sign the accounts at this meeting (or arrange for signature shortly thereafter, if there are a number of outstanding, albeit minor, areas for the auditors to still finalise).
- 3.7 By formally approving the Statement of Accounts, the Audit & Regulatory Committee will be demonstrating their confidence in the responsible financial

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<sup>1</sup> Public Sector Audit Appointments and the National Audit Office used to report a list of Authorities publishing their audited Statement of Accounts late, but with 55% of local authorities' March 2020 accounts not receiving an audit opinion by the revised deadline of 30 November 2020, this procedure appears to have been abandoned.

<sup>2</sup> "Update on Reviews, Progress & Impact of Proposed Changes to the Local Audit System" to Audit & Regulatory committee, 30 September 2021

officer (Executive Director & Chief Finance Officer) and in the process by which the Statement of Accounts has been prepared. The accounts have been externally audited by Grant Thornton and they will set out their opinion and findings within the Audit Findings Report presented as part of this meeting.

- 3.8 A training session on the Statement of Accounts has been organised (to be delivered at the start of this committee meeting) to assist Members. In addition, a guide to the Statement of Accounts has been produced. This guide has been produced for both Staffordshire Moorlands DC and High Peak BC and uses examples from both authorities.
- 3.9 To further aid Members, Appendix B provides the Chief Finance Officer review, which challenges some of the more material financial movements compared to the previous year and requests further clarification on certain areas. It follows on from the suggested areas for scrutiny outlined in the training session. A glossary is also attached as Appendix C. The Statement of Accounts already has its own glossary of financial terms, but this more general glossary is designed to assist Members with broader local government financial terminology that they may come across as part of their considerations on the committee.

#### **4. How this report links to Corporate Priorities**

- 4.1 The preparation of the Statement of Accounts is dictated by legislation. As such it is not directly linked to a corporate priority, although the Council is committed to the guiding principle of transparency and accountability in the stewardship of public funds.

#### **5. Options and Analysis**

- 5.1 The Statement of Accounts is primarily a record of fact. Areas of discretion are treated in accordance with guidance and professional judgement. Consequently there are no other options to consider.
- 5.2 The Statement of Accounts have been subject to external audit by Grant Thornton.

#### **6. Implications**

- 6.1 Community Safety - (Crime and Disorder Act 1998)  
None
- 6.2 Workforce  
None
- 6.3 Equality and Diversity/ Equality Impact Assessment  
This report has been prepared in accordance with the Council's Equality and Diversity policies.
- 6.4 Financial Considerations

There are a substantial number of financial considerations throughout the Statement of Accounts.

6.5 Legal

There are a number of legal requirements in respect of financial reporting that the Council is required to comply with, which are detailed in the appropriate sections within the Statement of Accounts.

6.6 Climate Change  
None

6.7 Internal and External Consultation

The Accounts and Audit Regulations 2003 require the Statement of Accounts and supporting documents to be made available for public inspection prior to the 'appointed date for exercise of public rights'. Owing to Covid 19, Local Authorities were granted an extension and flexibility in ensuring the public could exercise this right. The Council gave formal notification to the public of a 15 working day period commencing 7th September.

6.8 Risk Assessment

There are a number of areas of risk embedded throughout the Statement of Accounts. These have been individually addressed and treated in accordance with guidance and professional judgement.

**John Betts**  
**Interim Executive Director & Chief Finance Officer**

***Background Papers***

2020/21 Closure of Accounts files  
(various)

***Location***

Joint Finance Team,  
Moorlands House, Leek

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