

AUDIT COMMITTEE – 30 SEPTEMBER 2021

PART 1 - DELEGATED

7. STATEMENT OF ACCOUNTS 2020/21 (DoF)

1 Summary

1.1 This report sets out the latest position regarding the finalisation of the Statement of Accounts 2020/21 and completion of the annual external audit. The latest draft of the Statement of Accounts 2020/21 are included as an appendix to this report.

2 Details

2.1 The Statement of Accounts 2020/21 have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting (the Code). The Code specifies the principles and practices of accounting required to prepare financial statements which give a true and fair view of the financial position and transactions of a local authority.

2.2 The Accounts and Audit Regulations 2015 set out the statutory timeframe for the publication of the draft statement of accounts, period for the exercise of public rights, and conclusion of the audit. As occurred last year for the 2019/20 accounts, the Ministry of Housing Communities and Local Government (MHCLG) has recognised that COVID-19 has placed significant pressure on local authorities and that this has required reprioritisation of staff and resources. Therefore, the regulations have again been amended to extend the statutory deadlines. The Accounts and Audit (Amendment) Regulations 2021 require:

- draft accounts to be authorised for issue by 31 July 2021,
- the period for the exercise of public rights to begin on or before the first working day of August,
- publication of the approved statement of accounts and audit opinion by 30 September 2021.

2.3 The draft Statement of Accounts for 2020/21 was authorised for issue by the Section 151 Officer (Director of Finance) on 31 July 2021. The 30 working day period for the exercise of public rights commenced on 2 August 2021 and concluded on 10 September 2021. The notice advertising the accounts for public inspection was published on the Council's website.

2.4 Due to the ongoing work on the audit of the Statement of Accounts for 2019/20 it has not been possible for work to be undertaken on the audit of the Statement of Accounts for 2020/21. This means that the external auditors will not be able to issue the audit opinion for 2020/21 by 30 September 2021. The legislation allows for this eventuality and requires a statement to be published on the Council's website setting out the reasons for the delay.

2.5 The latest draft of the Statement of Accounts 2020/21 is included as an appendix to this report. There are two areas where further changes are expected to the accounts:

- Valuations of Property, Plant and Equipment – valuations have been completed by specialist valuers and are expected to be finalised by 30 September 2021.
- Pension fund asset valuation – valuation will be revised following completion of the Hertfordshire Local Government Pension Fund audit which has been delayed.

2.6 Updates to the accounts as a result of finalising this information will be technical accounting adjustments that will not impact on the Council's year end position, general fund balance or other useable reserves.

3 Policy/Budget Reference and Implications

3.1 The recommendations in this report are within the Council's agreed policy and budgets.

4 Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications

4.1 None specific.

5 Recommendations

5.1 The Committee are asked to note progress on the Statement of Accounts 2020/21.

Report prepared by: Hannah Doney, Head of Finance.

Appendices

- Statement of Accounts 2020/21 – latest draft

Background papers

No papers were used in the preparation of this report.