

Report to	On
Governance Committee	Tuesday, 27 July 2021



Title	Report of
Statement of Accounts for the Financial Year 2020/21	Director of Finance

Is this report confidential?	No
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Purpose of the Report

1. To present members with the Draft Statement of Accounts for 2020/21 and to advise Members in respect of the statutory requirements for signature, audit, inspection and publication of the Statement . The report also details the role of Members in the process leading up to the formal submission of the SOA for approval by the 30th September 2021 following completion of the external audit.

Recommendations

2. Members are asked to note the report.

Corporate outcomes

3. The report relates to the following corporate priorities: *(tick all those applicable)*:

An exemplary council	<input checked="" type="checkbox"/>	Thriving communities	<input type="checkbox"/>
A fair local economy that works for everyone	<input type="checkbox"/>	Good homes, green spaces, healthy places	<input type="checkbox"/>

Background to the report

4. The Accounts and Audit Regulations came into force on the 1st April 2015 and set the statutory timetable for production, approval and audit of the Statement of Accounts. For the 2020-21 Statement, the Regulations have been updated by the Accounts and Audit (Amendment) Regulations 2021.
5. The Responsible Financial Officer must sign and date the Statement of Accounts and certify that it presents a true and fair view of the financial position of the Authority at the year end, and the income and expenditure for the year.

6. The Responsible Financial Officer must then commence the period for the exercise of public rights and notify the local auditor of the date on which that period was so commenced. The usual date by which this must be done is by 31st May, but for 2020/21 this has been amended to 31st July. There is no requirement for Members to approve the Statement of Accounts at this stage in the process.
7. The Responsible Financial Officer must, on behalf of the authority, publish (which must include publication on the authority's website) the statement of accounts along with the Annual Governance Statement and a Narrative Report and a declaration, signed by that officer, to the effect that the status of the statement of accounts is unaudited and that the statement of accounts as published may be subject to change.
8. The regulation also states that the period for the exercise of public rights is treated as being commenced on the day following the day on which all of these obligations have been fulfilled. The Responsible Finance Officer must also ensure that commencement of the period for the exercise of public rights takes place on such a day that includes the first 10 working days of August (usually June) and continues for a single period of 30 working days.
9. The draft Statement of Accounts for the Financial Year 2020/21 is attached at Appendix A. The document is complete except for tables and supporting narrative in respect of the Lancashire Business Rates Pool, where information has yet to be received from the Pool lead authority. The Annual Governance Statement, which is required to accompany the accounts, is that approved by the Committee on 25th May 2021 and so is included here for completeness, rather than for further review.
10. The Statement of Accounts will be available for public inspection from Monday 2nd August 2021 for a period of 30 working days. This will be advertised on the Council's website from 1st September and Members of the Committee will be able to access the statutory accounts at that point.
11. The audit of the accounts is already under way, with the Council's auditors having requested a forward copy of the Statement at the beginning of July, in order to facilitate an early start to their work. For 2020/21, the required date for the publication of the Draft Statement has been amended from 31st May to 31st July, and for completion of the audit and final approval and publication of the Statement, this has been amended from 31st July to 30th September.
12. Once the audit has been completed, the Regulations specify that the Responsible Financial Officer must reconfirm on behalf of the authority that they are satisfied that the Statement of Accounts presents a true and fair view of the financial position of the authority at the year end, and the income and expenditure for the year. The council is then required to:
 - consider, either by way of a committee or by the members meeting as a whole, the statement of accounts;
 - approve the statement of accounts by a resolution of that committee or meeting;
 - ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval is given.

13. Once approved the council must, by no later than 30th September, publish:
- the statement of accounts together with any certificate or opinion, entered by the local auditor;
 - the annual governance statement; and
 - the narrative report.
14. Publication of the final documents must also be on the council's website. Arrangements are in place to ensure all of the requirements can be met and that the governance committee will be able to fulfil its duty in terms of scrutiny of the accounts.

Risk

15. Risk implications apply in relation to the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2021, to prepare financial statements in accordance with the statutory timetable. The accounts must be compliant with the relevant standards and must be prepared on a true and fair view basis. Failure to comply could result in a failure to meet the statutory duty.

Equality and diversity

16. The report has no equality or diversity implications.

Air quality implications

17. The report has no air quality implications.

Comments of the Statutory Finance Officer

18. There are no direct financial implications arising as a result of this report. The report relates entirely to the statutory accounting requirements for the Statement of Accounts. All financial implications relating to the final budget outturn position have been set out in the Budget Outturn Report 2020/21 which was considered by Cabinet on 16th June 2021.

Comments of the Monitoring Officer

19. The legal implications are in respect of the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2021, and the requirement that the accounts must be compliant with the relevant accounting standards and codes of practice and must be prepared on a true and fair view basis. Failure to comply could result in a failure to meet the statutory duty.

Background documents (or There are no background papers to this report)

- Accounts and Audit (England) Regulations 2015
- Accounts and Audit (Amendment) Regulations 2021
- CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2020/21

Appendices

Appendix A : Unaudited Statement of Accounts 2020/21

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Director of Finance

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