

Report of	Meeting	Date
Director of Finance and Section 151 Officer	Governance Committee	Tuesday, 26 July 2022

Draft Core Financial Statements 2021/22

Is this report confidential?	No
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Is this decision key?	No
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Purpose of the Report

1. To present members with the Draft Core Financial Statements for 2021/22, together with key supporting Notes, and to advise Members in respect of the statutory requirements for signature, audit, inspection and publication of the Statement and Members' role in the process leading up to the formal submission of the SOA for approval by the 30th September 2022, following completion of the external audit.

Recommendations to Governance Committee

2. Members are asked to note the report.

Reasons for recommendations

3. Completion of the Financial Statements is a statutory obligation.

Other options considered and rejected

4. The Financial Statements are prepared in the form required by accounting standards and by statutory regulations. There are therefore no alternative approaches that can be adopted.

Corporate priorities

5. The report relates to the following corporate priorities: (please bold all those applicable):

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Background to the report

6. The council is required to publish its draft (unaudited) Statement of Accounts for 2021/22 by 31st July 2022, followed by the audit of the accounts and the consideration for approval, by this Committee, of the final version by 30th September 2022. The following paragraphs set out the framework for the timescales and process involved.

Timescales and process for publication and approval of the Statement of Accounts

7. The Accounts and Audit Regulations came into force on the 1st April 2015 and have subsequently been amended, most recently by the Accounts and Audit (Amendment) Regulations 2022, which are effective from 22nd July 2022. These regulations set the statutory timetable for production, approval and audit of the Statement of Accounts.
8. The responsible financial officer must sign and date the Draft 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 of the income and expenditure for the year.
9. 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 date by which this must be done by for the 2021/22 statements is 31st July 2022. There is no requirement for Members to approve the Statement of Accounts at this stage in the process. The Statement is currently in an advanced state for preparation ahead of the end of July deadline. Members are here provided, at Appendix A, with the draft Core Statements and their key supporting Notes.
10. The responsible financial officer must, on behalf of the authority, publish (which must include publication on the authority's website) the draft 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 approved Statement of Accounts as published may be subject to change.
11. The regulations 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 it includes, for the 2021/22 statements, the first ten working days of August 2022 and continues for a single period of 30 working days
12. As noted above, the draft Core Statements and key supporting Notes for the financial year 2021/22 are attached at Appendix A. These drafts are substantially complete, but until the whole of the document is complete, there remains the possibility that they may be subject to some change.
13. Once the full draft Statement of Accounts has been published and the public inspection period has begun, then the audit of the accounts by the council's external auditors, Grant Thornton, will commence. For 2021/22, the date for completion of the audit and final approval and publication of the Statement is 30th September 2022.

14. 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.
15. 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 statement.
16. Publication of the final documents has to include 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.

Climate change and air quality

17. The matters noted in this report have no implications for climate change or air quality.

Equality and diversity

18. This report has no implications for equality and diversity.

Risk

19. Risk implications apply in relation to the Accounts and Audit Regulations 2015 (as amended), 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.

Comments of the Statutory Finance Officer

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 Revenue and Capital Outturn Reports 2021/22, which were considered by Cabinet on 20 June 2022.

Comments of the Monitoring Officer

20. The legal implications are in respect of the Accounts and Audit Regulations 2015 (as amended) 2020, 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

- Accounts and Audit (England) Regulations 2015 (as amended)

- CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2021/22

Appendices

List the appendices in the order that they are attached to the report with titles as appropriate. Any spreadsheets/diagrams should be in pdf format and be headed up.

Appendix A: Draft (Unaudited) Core Financial Statements 2021/22

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