

**Committee Name and Date of Committee Meeting**

Audit Committee – 27 September 2022

**Report Title**

Final Unaudited Statement of Accounts 2021/22

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

Under the Accounts and Audit Regulations 2015, local authorities were required to publish their unaudited accounts no later than 31 July 2022, for the financial year 2021/22, accompanied by a Narrative Report and draft Annual Governance Statement. The original deadline for the final publication of the Council's audited accounts was 30<sup>th</sup> September 2022 but the regulations have been revised to extend this to 30<sup>th</sup> November 2022. Grant Thornton have indicated that they will be able to complete the external audit by this revised date.

As such, the Council is not able to present an audited set of accounts to the Audit Committee, nor a final or draft ISA 260 report as insufficient progress has been made to date on the audit to allow for this. Instead, the Council is presenting to Audit Committee the revised version of its final accounts, which includes amendments made since the draft accounts were presented. The Council intends to publish the revised final accounts on the Council's website following approval from Audit Committee and the Council's Section 151 Officer.

The external audit will continue and once that has been completed, the ISA260 will be brought to Audit Committee for consideration.

At this point Grant Thornton are not able to confirm their audit opinion on the Statement of Accounts.

Grant Thornton are not able to confirm their audit opinion in respect of the Council's value for money arrangements.

### **Recommendations**

1. Having taken due regard of the current position of the external audit, note the 2021/22 Statement of Accounts attached as Appendix 1 for publication as final and the 2021/22 Narrative Report attached as Appendix 2 for publication as final; and
2. Note that the ISA260 will be brought to a future Audit Committee for review once Grant Thornton have completed their audit work.

### **List of Appendices Included**

Appendix 1 – 2021/22 Statement of Accounts to be published as final

Appendix 2 – 2021/22 Narrative Report to be published as final

### **Background Papers**

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2021/22  
Accounts and Audit Regulations 2015

Audit Committee meeting – 28 July 2022

### **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

### **Council Approval Required**

No

### **Exempt from the Press and Public**

No

## **Closure of the Accounts 2021/22**

### **1. Background**

- 1.1 At the Audit Committee meeting on 28th July 2022 members received Grant Thornton's Audit Plan for 2021/22 which set out the audit approach Grant Thornton planned to take to discharge their audit objectives and the risks they had identified in relation thereto. Grant Thornton indicated that they would be able to meet the revised audit deadline of 30<sup>th</sup> November 2022.
- 1.2 In order to complete the audit process in compliance with the Accounts and Audit Regulations 2015, the Audit Committee, as the body charged with governance within the Council, is required to formally resolve that the Statement of Accounts and Narrative Report be approved for publication. The period for local electors to exercise their rights to ask questions of the auditor or to raise a formal objection that an item of account is unlawful has expired. However, as the external audit of the accounts has not been completed the Council cannot present to members an audited set of accounts with an audit opinion for consideration.
- 1.3 The Council is presenting to Audit Committee the revised version of its final accounts which includes amendments made since the draft accounts were presented. The Council intends to publish the revised final accounts on the Council's website following approval from Audit Committee and the Council's Section 151 Officer. Should any material issues be identified as part of the ongoing external audit of the accounts, leading to a change in the accounts being required then Audit Committee will be updated on that change at the point the external audit completes and the ISA260 report is presented for consideration.

### **2. Key Issues**

- 2.1 A material adjustment has been identified by the auditors in relation to the carrying value of plant, vehicles and equipment (PVE) assets held by the Council. A number of items have been identified which are still on the Council's balance sheet but have been disposed of in prior years, these are largely lower value assets that have been fully depreciated so hold a net book value of £0 but have a gross book value remaining on the asset register that needs to be cleared. The total value of this adjustment is in the process of being identified but will be greater than £13m. The accounts will be updated when the figure is confirmed. This change does not impact the Council's budget position or outturn position for 2021/22.
- 2.2 At this point Grant Thornton are not able to confirm their audit opinion on the Statement of Accounts or the value for money arrangements.

### **3. Options considered and recommended proposal**

- 3.1 There is no discretion on whether to comply with the Code of Practice on Local Authority Accounting or the Accounts and Audit Regulations 2015. The purpose of the recommendations is for Audit Committee to meet its responsibilities in relation to the closure of the accounts.

### **4. Consultation on proposal**

- 4.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the financial statements being prepared.

### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The statutory deadline for publishing the audited financial statements is 30<sup>th</sup> November 2022.

### **6. Financial and Procurement Advice and Implications**

- 6.1 There are no financial or procurement implications directly associated with this report, other than continuing to produce good quality financial statements and supporting working papers which meet Grant Thornton's expectations and will help to minimise the audit fee.

### **7. Legal Advice and Implications**

- 7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015.

### **8. Human Resources Advice and Implications**

- 8.1 There are no Human Resource implications arising from the report.

### **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

### **10. Equalities and Human Rights Advice and Implications**

- 10.1 There are no implications arising from this report to Equalities and Human Rights.

### **11. Implications for CO2 Emissions and Climate Change**

- 11.1 No direct implications.

### **12. Implications for Partners**

**12.1** There are no other implications arising from this report to Partners.

**13. Risks and Mitigation**

13.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

**14. Accountable Officer(s)**

Judith Badger (Strategic Director of Finance & Customer Services)

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