

Committee Name and Date of Committee Meeting

Audit Committee – 23 March 2021

Report Title

Closure of the Accounts 2020/21 – Timetable

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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Finance & Customer Services Directorate

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Ward(s) Affected

Borough-Wide or

Report Summary

The principal objective of the Council's annual financial statements is to make the Council accountable to a range of local and national stakeholders over the stewardship of its resources.

It is therefore important that the Council's financial statements are prepared in accordance with recognised accounting standards so that they can be relied upon by users of the accounts.

This report brings to members attention the Council's timetable for the production of the financial statements, that members of the Audit Committee, as the body in the Council charged with governance, will need to formally approve the audited Statement of Accounts by the 30th September, based on the revised regulations to be implemented for two years.

Recommendations

1. Audit Committee is asked to note the timetable for the production of the Council's financial statements.

List of Appendices Included

Background Papers

CIPFA Code of Practice on Local Authority Accounting 2020/21
Accounts and Audit Regulations 2015

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 2020/21

1. Background

- 1.1 The Code of Practice on Local Authority Accounting (the Code) together with the Accounts and Audit Regulations set the accounting and statutory framework for local authority financial reporting.
- 1.2 The Code is based on internationally recognised accounting standards (International Financial Reporting Standards (IFRS)). These form the basis for large private sector companies financial reporting. However, the funding of Local Government by central government and local tax payers is in some key aspects very different from that under IFRS. This makes local authority financial statements complex and difficult to interpret due to the need to reconcile the Council's financial performance and financial position under IFRS with that under the arrangements for funding local government.
- 1.3 Members will recall that following the Covid 19 outbreak last March that the production of the Statement of Accounts was delayed and the draft accounts were presented on the 18th August 2020 following their publication on the website on the 30th July, and the final audited accounts were approved on the 24th November 2020.
- 1.4 The Accounts and Audit (amendment) Regulations 2021 (SI no 2021/263) will come into force on 31st March 2021 and extend the publication of the Statement of Accounts for the next two financial years (2020/21 and 2021/22). These amended regulations require draft accounts to be published by the 31st July and final audited accounts by the end of September. These regulations also require Authorities to publish a notice on their website if they fail to publish their draft accounts by 1st August.

2. Key Issues

Timetable

- 2.1 The amended deadlines have only just been confirmed and will result in key dates on the timetable for the production of the accounts as shown below.

Statement of Accounts Timetable - Amended Dates

Action	Amended Date
Unaudited accounts published	31 July 2021
Public Inspection of Draft Accounts	1 August to 10 August 2021
Unaudited accounts presented to Audit Committee along with Narrative Report & Annual Governance Statement	tbc
External Audit of the Councils Accounts	August & September 2021
Audited accounts presented to Audit Committee along with Narrative Report & Annual Governance Statement	28 September
Audited Accounts Published	30 September

2.2 It was initially anticipated that the draft accounts would be presented to this committee on the 22nd June and the final audited accounts on the 29th July. Consideration needs to be given by Officers as to whether to utilise the full extension in the production of the draft accounts or whether to aim for an earlier date with a view to allowing a longer timeframe for the audit process. This will determine whether the draft accounts are presented on the 22nd June or the 29th July and Members will be updated accordingly.

3. Options considered and recommended proposal

3.1 There is no discretion on whether to comply with the Code or the Accounts and Audit Regulations. The purpose of the recommendations is simply for Audit Committee to note the timetable for the production of the accounts in 2020/21.

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 unaudited financial statements is 31st July, with the statutory deadline for publishing the audited financial statements of 30th September.

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

6.1 There are no financial or procurement implications directly associated with closure of the accounts, other than the impact on the audit fee of having good quality financial statements and supporting working papers which meet Grant Thornton's expectations.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015 and the revised Regulations that come into force on the 31st March 2021.

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 Partners

11.1 The NHS requires information on how the pooled budgets operated under the Better Care Fund have been spent to an earlier timetable than that of the Council. Arrangements have been made to ensure this earlier timetable is met. There are no other implications arising from this report to Partners.

12. Risks and Mitigation

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

13. Accountable Officer(s)

Judith Badger (Strategic Director of Finance & Customer Services)

Approvals obtained on behalf of:-

	Named Officer	Date
Chief Executive		Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Graham Saxton	Click here to enter a date.
Assistant Director of Legal Services (Monitoring Officer)	Named officer	Click here to enter a date.
Assistant Director of Human Resources (if appropriate)		Click here to enter a date.
Head of Human Resources (if appropriate)		Click here to enter a date.

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