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| Report to: | Audit and Governance | 28 th November 2023 |
| Lead Cabinet Member: | Councillor John Williams, Lead Cabinet Member for Finance | |
| Lead Officer: | Peter Maddock, Head of Finance | |

COMPLETION OF ACCOUNTS FOR 2020/21.

Executive Summary

1. The statement of accounts for the year 2020/21 are attached for approval at Appendix A. Once approved and signed the auditors can complete their final processes before they sign the accounts. There is also a balance sheet comparison showing the changes made since the accounts were presented in October 2023 and the final audited accounts re-produced at Appendix B.

Recommendations

2. That Committee approve the audited statement of accounts for 2020/21 as presented in Appendix A.
3. That Committee note that the 2020/21 accounts audit is now complete save for final closing procedures to be carried out by the Auditors.

Details

Statement of Accounts 2020/21

4. The audited statement of accounts for 2020/21 is reproduced as Appendix A to this report. There is also a Balance Sheet comparison with the changes shown since the accounts presented in October 2023 and the final set as presented to this committee, in Appendix B.
5. The final set of accounts as presented has a few further amendments to those reported at the October meeting and these are detailed below.
6. It was verbally reported in October that following work by the valuer at EY they could not agree the Investment Property valuation provided by the Council's valuer and in their opinion the value was overstated by £8.587m. Given that the valuation is an estimate at a point in time and when the accounts for 2021/22 are

produced the value assigned will again change it was felt that further work on this was of little value so the council has accepted the valuation provided by EY.

7. It has since come to light that the valuer from EY has a similar issue with the values of some of the Council's Housing stock in that in their opinion the properties concerned are undervalued by £13.213m. Again, as in the situation in the previous paragraph it was felt best to accept the revision proposed for the same reason.
8. The final adjustment relates to the pensions liability where the figure in the audit summary report was incorrect and as a result the liability was understated by £73,000.
9. The overall effect of these adjustments is to increase the Balance sheet total by £4.553m.
10. There have also been a number of disclosure changes requested by the auditors within the various notes, including an analysis of future lease payments expected to be received by the Council (Note 31).

Options

11. The report asks the committee to approve the accounts. The committee has this with its terms of reference so not carrying out this function could not be recommended.

Implications

12. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

Financial and Fraud Risk

13. Timely and robust consideration of the Council's budgets is vital to ensure that financial statements are correctly stated, financial procedures are followed and that the financial position of the Council is effectively managed and monitored.
14. The assessment and management of fraud risk is an integral part of the final accounts and audit process and the Council is required to report on any fraud experienced and the arrangements it has in place to prevent and detect fraud. The Council has robust arrangements in place that includes our corporate fraud team, internal audit and this committee has fraud risk and management within its terms of reference.

Legal

15. There is a requirement under the Accountancy and Audit Regulations for Council's to present their accounts for the preceding financial year for audit by 31st of May each year and for those accounts to be audited and published by 31 July each year.

Risks/Opportunities

16. There is a risk that the financial statements are incorrectly stated with consequential impacts. The purpose of the external audit is to mitigate this risk. This is still a significant risk going forward but with dedicated experienced resources now tasked with dealing with auditor queries and accounts completion the risk should be mitigated.

Alignment with Council Priority Areas

A modern and caring Council

17. Producing an annual statement of accounts is key to supplementing the financial information already in the public domain, to ensure the full transparency of the Council's financial affairs.

Appendices

Appendix A Final Statement of Accounts for 2020/21
Appendix B Balance Sheet comparison.

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