

For publication

Audit Report on the 2021/22 Statement of Accounts

Meeting:	Standards & Audit Committee
Date:	23 November 2022
Cabinet portfolio:	Governance
Directorate:	Service Director Finance
For publication	

1.0 Purpose of the report

1.1 To approve the Statement of Accounts for 2021/22.

2.0 Recommendations

2.1 That the Committee approves the Statement of Accounts in respect of 2021/22 (**Appendix A**).

2.2 That the committee receive the Audit Completion Report from Mazars as our external auditors (**Appendix B**).

2.3 That delegated powers are granted to the Service Director for Finance in consultation with the Chair of this Committee to make any changes agreed with the Council's External Auditor, which may be necessary to ensure the completion of the Statement of Accounts by 30 November 2022.

2.4 That delegated powers are granted to the Service Director for Finance in consultation with the Chair of this Committee to approve the Management Letter of Representation (**Appendix C**), following the conclusion of the Audit and the completion of the Statement of Accounts.

3.0 Reason for recommendations

3.1 The external audit process for 2021/22 has almost concluded and the accounts, as amended, are expected to be given an unqualified audit opinion. The outcome of the audit so far is summarised in the external auditor's Audit Completion Report as set out in **Appendix B**.

4.0 Report details

- 4.1 The Accounts and Audit Regulations set out the detailed requirements in relation to the duties and rights specified in the Local Audit and Accountability Act 2014. These regulations were amended and introduced earlier deadlines for publication of the accounts. The deadline for completion of the accounts for 2021/22 is 31 July for the unaudited Statement of Accounts and 30 November for the audited Statement of Accounts, which must be approved by the Audit Committee. This is a revised deadline for 2021/22 due to the global pandemic and subsequent pressures put on Local Authorities.

Audited Statement of Accounts 2021/22

- 4.2 The Statement of Accounts is contained in **Appendix A**. There may be some changes still requested by the Mazars in completing the audit – which will be reported verbally at the Committee meeting. It is anticipated however, that there will be only limited changes between the version at appendix A and the final Statement of Accounts for 2021/22. It is recommended that delegated powers be given to the Service Director-Finance in consultation with the Chair of this Committee to agree any final changes to the Council's Statement of Accounts 2021/22.

Audit Completion Report

- 4.3 The Council's appointed auditor is required to "communicate audit matters to those charged with Governance," namely this Committee. These matters are set out in the Audit Completion Report. The report details the main audit findings, including any adjustments to the accounts following the audit and also includes the audit opinion and an update on the auditor's views on the Council's value for money arrangements.
- 4.4 The report is included at **Appendix B**. The Auditor will present the report, provide an update on any significant matters and respond to any questions.

Management Letter of Representation

- 4.5 The Council's Auditors are required to obtain written representation from management in respect of various matters relating to the accounts in a form of a "Letter of Representation."
- 4.6 The Management Letter of Representation must be prepared by the Council's Responsible Finance Officer, after having made appropriate enquiries of other officers. This Committee, as those charged with governance, must acknowledge their collective responsibilities for the compilation of the financial statements and consider the adequacy of the letter.
- 4.7 A copy of the letter is included at **Appendix C** and is consistent with the representations requested at Appendix 1 to the Audit Completion Report. The letter provides representations in respect of fraud, compliance with laws and regulations, contingent liabilities, related party disclosures and post balance

sheet events. The appendix to the letter also confirms that management do not propose to adjust the Statement of Accounts for the non-material misstatements identified by the auditor and included in their Audit Completion Report.

5.0 Alternative options

5.1 There are no alternative options for consideration.

6.0 Implications for consideration – Financial and value for money

6.1 There are no further financial implications arising from this report.

7.0 Implications for consideration – Legal

7.1 The process has been undertaken in accordance with the requirements of the Accounts and Audit Regulations, the dates of which have been extended to 30 November for the financial year 2021/22.

8.0 Implications for consideration – Human resources

8.1 There are no human resource issues arising directly out of this report.

9.0 Implications for consideration – Council plan

9.1 As set out in the financial statements.

10.0 Implications for consideration – Climate change

10.1 There are no direct climate change issues arising directly out of this report, any impact will be considered as part of the service delivery.

11.0 Implications for consideration – Equality and diversity

11.1 There are no equality and diversity issues arising directly out of this report.

Document information

Report author	
Theresa Channell Service Director Finance	
Background documents	
Working papers to support the financial statements	
Appendices to the report	
Appendix A	Statement of Accounts 2021/22

Appendix B	Audit Completion Report 2021/22
Appendix C	Management Letter of Representation 2021/22