

**REPORT OF:** CHIEF FINANCIAL OFFICER  
**TO:** ACCOUNTS AND AUDIT COMMITTEE  
**DATE:** 25<sup>th</sup> JANUARY 2022

**Contact Details:** Richard Gibson  
**Tel. No:** 01282 661014  
**E-mail:** richard.gibson@pendle.gov.uk

## STATEMENT OF ACCOUNTS 2020/21

### PURPOSE OF REPORT

The purpose of this report is to present for approval the Statement of Accounts for 2020/21. At the time of writing this report the audit undertaken by Grant Thornton is substantially complete. The accounts submitted with this report include any amendments arising from the work of External Audit as at 25<sup>th</sup> January 2022.

### RECOMMENDATIONS

The Committee is recommended to approve the Statement of Accounts for 2020/21.

### ISSUE

#### Introduction

1. The draft (pre-audit) accounts were completed and published on the Council's website ahead of the deadline of 31<sup>st</sup> July 2021. Grant Thornton commenced their audit of the accounts week commencing 12<sup>th</sup> July 2021. A copy of the Statement of Accountant was taken to the Accounts & Audit Committee on 19<sup>th</sup> October 2021 in the understanding that the work was nearing completion and reflected all changes agreed with Grant Thornton as at 13<sup>th</sup> October 2021.
2. However, Members will be aware of amendment required which were raised verbally at the meeting and the Committee agreed that the Chairman and Interim Chief Finance Officer be delegated authority to approve the Statement of Accounts for 2020/21 but that any significant amendment to the Statement of Accounts for 2020/21 be brought back to the Committee for further consideration.
3. The Report 19<sup>th</sup> October 2021 set out the Audit Findings at the time. This report sets out the material changes made to the Statement of Accounts since the meeting on 19<sup>th</sup> October 2021 which require a full set of Accounts to be signed off by Committee and these are set out in the Audit Findings Letter on Pages 30 to 33 as detailed below;

- None Trivial Misstatements are shown on Page 30. None of these impacted on Net expenditure.
    - i. Inclusion of Internal Recharges in the Net Cost of Services
    - ii. Repayment of PWLB Loan included in both Creditors and Debtors on the Balance Sheet
    - iii. Advance payment of pension contributions shown as a prepayment as opposed to a reduction in the Pension Liability
  - Misclassification and disclosure Changes are shown on Page 31 and 32.
  - Unadjusted Misstatements shown on Page 33. The amounts shown are not material
4. Full details of the formal audit findings are presented in a separate report from Grant Thornton (Audit Finding Report 2020/21) which is included elsewhere on the agenda for this meeting.
  5. Under the Accounts and Audit Regulations 2015 (regulation 9(2)), the Council must, following the conclusion of the period for the exercise of public rights, in the following order:-
    - (a) Consider, either by way of a committee or by the members meeting as a whole, the statement of accounts;*
    - (b) Approve the statement of accounts by a resolution of that committee meeting;*
    - (c) Ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which approval is given.*
  6. The Statement of Accounts is attached at **Appendix A** for approval. The Chief Financial Officer, as the Council's responsible finance officer, has re-certified the accounts confirming that the statement of accounts presents a true and fair view of:
    - (a) The financial position of the authority at the end of the financial year to which it relates; and*
    - (b) The authority's income and expenditure for that financial year.*
  7. The Statement of Accounts (SOAs) also includes the Annual Governance Statement and Narrative Report, both of which are required to be published together with the financial statements.
  8. Once confirmation has been received from Grant Thornton that the audit has been completed, a 'Notice of Conclusion of Audit' will be published. This will explain that the audit of the Council's accounts has been completed and state where the accounts and auditor's report can be inspected.
  9. Councils are required to publish their draft accounts by the end of July and to publish their audited accounts by the end of Sept for 2020/21. As with most Local Authorities, due to Covid pressures the council, working with our External Auditors, have been unable to meet this deadline. Subject to the Committee's approval and receipt of the Auditor's Opinion, and the subsequent conclusion of the audit, the accounts will be published on the Council's website as soon as is practicable.

10. Such outcomes are not possible without the hard work and support of team members within Finance assisted by colleagues across the Council and I am grateful to them all for their support.
11. In considering the SOAs members of committee are referred to the external auditor's Audit Findings report (AFR) which appears elsewhere on this agenda. The reports provide the auditor's opinion on the accuracy of the accounts and also the supporting documents.

## **IMPLICATIONS**

### **Policy**

12. There are no policy implications arising directly from the contents of this report.

### **Financial**

13. The financial implications are as given in the report and Statement of Accounts. This report sets out the closing financial position for the 2020/21 year. All budget variations are currently being reviewed and assessed in order for them to be incorporated into the budget monitoring process for 2021/22 and the budget and Medium Term Financial Plan for 2022/23 onwards.

### **Legal**

14. The Accounts and Audit Regulation's 2015 as amended by The Accounts and Audit (Amendment) Regulations 2021 currently require the Council to approve and publish its audited Statement of Accounts by 30 September 2021.
15. In line with the regulations we have published a relevant notice of the delay in closing the accounts. In view of the many pressures from the pandemic and increase regulatory burdens on ourselves and our auditors (in relation to property valuations and the valuation of pensions net liability) a number of/most local authorities have found themselves in this position.

### **Risk Management**

16. There are no risk management implications arising directly from the contents of this report.

### **Health and Safety:**

17. There are no health and safety implications arising directly from the contents of this report.

### **Sustainability:**

18. There are no sustainability implications arising directly from this report.

### **Community Safety:**

19. There are no community safety issues arising directly from the contents of this report.

**Equality and Diversity:**

20. There are no equality and diversity issues arising from the contents of this report.

**APPENDICES**

[Appendix A](#) –Statement of Accounts 2020/21

**LIST OF BACKGROUND PAPERS:** Final Accounts working papers held by Financial Services.