

AUDIT AND RISK COMMITTEE

31 October 2023

STATEMENT OF ACCOUNTS 2021/22

Report of the Strategic Director of Resources

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr A Johnson, Deputy Leader and Portfolio Holder for Resources	
Contact Officer(s):	Kirsty Nutton, Strategic Director of Resources (s.151 Officer)	01572 758159 knutton@rutland.gov.uk
	Andrew Merry, Head of Finance	01572 758152 amerry@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That the Committee:

1. Delegates approval the Statement of Accounts for 2021/22 in Appendix 1 to the Chair of the Audit and risk committee in line with section 3.
2. Approves the Annual Governance Statement for 2021/22 in Appendix 2
3. Notes the Draft Audit Findings Report in Appendix 3.

1 PURPOSE OF THE REPORT

1.1 The purpose of this report is for Audit and Risk Committee to:

- Receive and note Draft Audit Findings Report - for the year ended 31 March 2022 from Grant Thornton LLP on behalf of the Council.
- To receive and approve the 2021/22 Annual Governance Statement
- To delegate approval of the audited Statement of Accounts 2021/22.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 The production of a timely Statement of Accounts, which is free from material

error, is a key test of the robustness of financial processes and underpins the financial standing of an organisation. The Council has achieved this through the publication of the draft Statement of Accounts ahead of the statutory deadline, and also through the completion of a successful external audit process.

- 2.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) set out the accounting practices in the 2021/22 Code of Practice (the Code) and are followed in the preparation of the 2021/22 Statement of Accounts.
- 2.3 Legislation requires the Council to consider and approve its Accounts at a meeting of either full Council or a Committee of the Council. The Council's Constitution delegates this matter to the Audit and Risk Committee.
- 2.4 The draft Statement of Accounts was shared with the chair of the Audit Committee and Cabinet member for Finance prior to publication on the Councils Website on 31 July 2022. This published draft has subsequently been the subject of external audit by Grant Thornton LLP.
- 2.5 Following the external audit, completed to date, some amendments have been made to the draft Statement of Accounts. Amendments with regards to the Property, Plant and Equipment (PPE) note and the Pensions note and are included in the final version of the Statement of Account as agreed by Grant Thornton.
- 2.6 The updated Statement of Accounts following the audit is attached in Appendix 1 for review by the Audit Committee.
- 2.7 There are a number of sections within the Statement of Accounts as follows:
 - a) **Narrative Report** – provides a fair, balanced and understandable guide
 - b) **Statement of Responsibilities** - sets out the responsibilities of the Council and the chief financial officer in respect of the Statement of Accounts
 - c) **Comprehensive Income and Expenditure Statement** - shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation
 - d) **Movement in Reserves Statement** - this statement shows the movement in the year on the different reserves held by the Council
 - e) **Balance Sheet** - shows the value of the assets and liabilities recognised by the Council as at 31 March 2022.
 - f) **Cash Flow Statement** - summarises the inflows and outflows of cash, and cash equivalents, arising from transactions with third parties for both revenue and capital purposes in 2021/22.
 - g) **Notes to the Financial Statements** - the various statements are supported by technical notes.
 - h) **The Collection Fund & Notes** - shows the transactions of the Council in relation to Council Tax and Non-Domestic Rates.

- i) **Statement of Accounting Policies** - outlines the accounting policies adopted by the Council.
- j) **Annual Governance Statement** - identifies the systems that the Council has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded.

3 POSITION ON THE 2021/22 ACCOUNTS

- 3.1 The extraordinary position on the 2021/22 accounts where they are still open 17 months after the period end (31 March 2022) has resulted in more adjustments being required that would happen in a normal period. To date these have been restricted to the national issues around Infrastructure Assets and Pensions.
- 3.2 There has now been another change that will need reflecting in the 2021/22 accounts as they are still open. The change relates to a change in an accounting policy relating to Section 106 developer contributions and accounting for these as creditors rather than reserve balances.
- 3.3 As this is a material change in accounting policy the change must be made retrospectively, which would normally require restatement of the opening balances in the 2022/23 accounts, which has been completed and can be shown in the 2022/23 draft accounts. However, as the 2021/22 are still open the Council need additional time to make the adjustment in the 2021/22 accounts.
- 3.4 The main audit work has been completed and the draft finding report from the auditors is included in appendix 3 with the only resulting work relating to the retrospective treatment outlined in 3.3 outstanding. As a result and to not delay the closing of the accounts the Council is asking that delegation is given for the signing of the accounts to minimise the risk of further changes being required.

4 CONSULTATION

- 4.1 The Accounts and Audit Regulations 2015, The Local Audit and Accountability Act 2014, The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, The Accounts and Audit (Amendment) Regulations 2021 gave members of the public the opportunity to inspect the accounts between the 01 June 2023 to 12 July 2023. There were no requests to view or comment on the accounts to the Council.

5 ALTERNATIVE OPTIONS

- 5.1 The Audit and Risk committee could choose not to delegate the approval the Statement of Accounts 2021/22 and the Annual Governance Statement. However, doing so would heighten the risk of more changes being required and further delays to the signing of the accounts.

6 FINANCIAL IMPLICATIONS

- 6.1 There are no direct implications associated with approving the Statement of Accounts.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

- 7.1 Section 3 of Part 3 of the Councils Constitution state that it is the responsibility of

the Audit and Risk Committee to approve the Councils Annual Statement of Accounts and Annual Governance Statement.

8 DATA PROTECTION IMPLICATIONS

8.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

9 EQUALITY IMPACT ASSESSMENT

9.1 An Equality Impact Assessment (EqIA) has not been completed as this report does not impact on Council policies and procedures.

10 COMMUNITY SAFETY IMPLICATIONS

10.1 There are no community safety implications

11 HEALTH AND WELLBEING IMPLICATIONS

11.1 There are no health and wellbeing implications.

12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

12.1 This report presents the audited Statement of Accounts for the financial year 2021/22, highlights some of the key matters, and asks the Audit and Risk Committee to approve them in line with its constitutional responsibility.

13 BACKGROUND PAPERS

13.1 [Draft Annual Governance Statement 2021/22 – 115/2022](#)

13.2 [External Audit Plan 2021/22 – 85/2022](#)

14 APPENDICES

14.1 Appendix 1 – Statement of Accounts 2021/22

14.2 Appendix 2 – Annual Governance Statement

14.3 Appendix 3 – Draft Audit Findings Report

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.