

SUBJECT: 2021/22 Statement of Accounts and Annual Governance Statement

For further information on this report contact: Lauren Fair, Business Support Manager
Lauren.Fair@bedsfire.gov.uk

Background Papers: The draft 2021/22 Statement of Accounts and Annual Governance Statement presented to the A&SC in July 2022. The external auditors report on this meetings agenda, covering their audit of these accounts.

Appendix	Title	Protective Marking
1	Letter of Representation	

Implications

This table provides a short statement of the impact of the recommendations in this report and/or a reference to the relevant paragraph/s in the report.

Will this report affect any of the following?

	Yes / No	Impact / Reference
Financial Implications	Yes	The final accounts for 2021/22 are presented post external audit.
Risk Management	No	
Legal Implications	No	
Privacy and Security Implications	No	
Duty to Collaborate	No	

Health and Safety Implications	No	
Equality, Diversity and Inclusion	No	
Environmental Sustainability	No	
Consultation and Communication	Yes	Post the A&SC and finalization of external, there will be a statement noting this on the Finance page of the website

PURPOSE:

To receive and consider the 2021/22 Statement of Accounts and Annual Governance Statement post external audit.

RECOMMENDATION:

That:

1. Members consider and approve the current version of the 2021/22 Statement of Accounts and Annual Governance Statement, that are in the final stages of being externally audited.
2. Members delegate any final amendments to the Treasurer, in conjunction with the Chair of the Audit and Standards Committee where material.
3. Members consider and approve the draft letter of representation, prior to the Chair approving and signing the final version.

1. Introduction

- 1.1 The Accounts and Audit Regulations 2015, required the Treasurer to formally approve the Annual Governance Statement (AGS) and Statement of Accounts by the end of May, following the previous financial year. Following external audit, the relevant body of the Authority is required to ordinarily approve them by the end of July. The relevant body for this Authority is the Audit and Standards Committee (A&SC). More recent updates to these deadlines are noted below.

- 1.2 Due to Covid-19 and the impact this had on local authorities, the Government gave an extension to the 31st July deadline to 30 September 2021 for the 2020/21 and subsequently 30th November 2022 for the 2021/22 accounts. For 2022/23 accounts onwards and for six years, the deadline will be 30th September. The draft accounts for 2021/22 were presented to the A&SC on 14th July 2022 and were therefore publicly available.
- 1.3 There has been a delay in the external audit of these accounts, due to resourcing constraints within our external auditors audit team. A statement advising this was publicised on the finance pages of our website. There will also be delays for the audit of our 2022/23 statement of accounts and annual governance statement.
- 1.5 The AGS and accounts are presented via the web link in the report below and are presented in a near final stage of external audit. As identified in our external auditor's Audit Results Report, at the time of writing this report there were some areas of audit finalisation still outstanding.

The report on the external audit review of the accounts is elsewhere on this meeting's agenda.

1.6 Early Closure

This was the fifth year of the intended early closure. The annual statement of accounts completion requirements, in accordance with the 2015 Accounts and Audit Regulations (amended 2021 and 2022), had moved from the end of June (pre audit) and September (post audit), to the end of May and July for the 2017/18 accounts onwards. As noted above, there was an extension to these dates during Covid for the years 2020/21 and 2021/22 and now further years following a review to improve the delays with local external audits in the public sector. Information on this can be found via the link below:

[Measures to improve local audit delays - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/10-ways-to-improve-local-audit-delays)

These deadlines, although significantly changed, have again successfully been met by the Authority. The draft accounts for 2021/22 were presented to the A&SC on 14th July 2022. This has been achieved through effective planning and resource management.

2. The 2021/22 Statement of Accounts and Annual Governance Statement

- 2.1 The format of the statement of accounts follows detailed guidance, as prescribed in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22. The content and order of the statement can change from year to year to reflect new requirements or changes in best practice. The accounts are in the format required by International Financial Reporting Standards (IFRS).
- 2.2 In accordance with the public advertisement and the statutory deposit period, the draft version of the accounts following the A&SC was put on the website on 2nd August 2022. The 30 day statutory public inspection period ended on 13th September 2022. There were not any requests for information on the accounts from a member of the public.
- 2.3 There have been material updates to the draft 2021/22 statement of accounts, following their pre external audit presentation to the Audit & Standards committee on 14th July 2022. These updates are to:
- Local Government Pension Scheme (LGPS), revisions following receipt of an updated actuary report
 - Personal Protective Equipment (PPE) Leasing figures were updated
 - Accumulated Absence (outstanding leave) figures have been revised

The items above were updated by officers within the service's Finance Team. The details of these have already been presented to the committee as part of the external auditors report earlier on this meetings agenda. There have been no material updates as a result of inaccuracies found as part of the external audit.

- 2.4 There were no amendments made to the AGS at the time of writing this report.
- 2.5 The Statement of Accounts, including the Annual Governance Statement, can be found on the Authority's website via the following address. Please click on the Statement of Accounts link, then the Draft 2021/22 Statement of Accounts post audit:
- <https://www.bedsfire.gov.uk/finance-and-budgets>
- 2.6 Letter of Representation

The draft letter of representation is attached at Appendix 1, for Members to consider and approve. This annual letter summarises the Authority's responsibilities regarding the Financial Statements and Financial Records, Fraud, Compliance

with Laws and Regulations, the Completeness of Information and Transactions, Liabilities and Contingencies, Subsequent Events, Accounting Estimates and Retirement Benefits.

As noted above, this will however need to be finalised after the outstanding external audit matters . The committee is requested to delegate the completion of the final letter and approval to the Treasurer and the Chair of Audit and Standards Committee.

3 General and Earmarked Reserves

3.1 The General Reserve balance as at 31 March 2022 was £2.4m. This is following work undertaken over the last few years to establish specific earmarked reserves, which as at 31 March 2022 totalled £5.136m. There is also the Collaboration Reserve at £2.378m and the Pay/Pension reserve at £1m. The year-end revenue budget underspend of £77k has been allocated to the Transformation Earmarked Reserve. This is in line with the Medium Term Financial Strategy.

3.2 The Capital Receipts Reserve as at 31 March 2022 was £548k.

4. Summary

4.1 Members are invited to:

- Review and approve the current version of the 2021/22 Statement of Accounts, which includes the Annual Governance Statement.
- Delegate any final amendments to the Statement of Accounts and the Letter of Representation, to the Treasurer in consultation with the Chair of the Audit and Standards Committee.
- Note the General and Earmarked Reserves balances.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER / FRA TREASURER