

TITLE: 2021/22 STATEMENT OF ACCOUNTS

Committee: Audit Committee

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1.0 ISSUE

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

2.0 RECOMMENDATION(S)

2.1. To approve the 2021/22 Statement of Accounts as set out in Appendix 1, subject to the Director Finance, in conjunction with Ernst & Young (EY) and the Chairman of Committee, being authorised to make changes in relation to issues discussed during the previous item on the agenda, the Audit Results Report, identified since the agenda was dispatched, and then, if required, any other changes that, in the opinion of the Section 151 Officer, do not impact on the overall substance of the Accounts, this prior to final sign-off by EY on or around the 18th July 2023.

3.0 BACKGROUND/OPTIONS

3.1 The format of the Statement of Accounts is prescribed by a range of regulations and reporting requirements together with a code of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Since 2010/11, as part of the wider public sector move towards international accounting standards, all local authorities in the UK are required to produce their annual financial statements using International Financial Reporting Standards (IFRS).

3.2 The Audit and Accounts Regulations 2015 (as amended) which apply to the preparation, approval and audit of the Statement of Accounts for the year ending 31st March 2022 required the following:

- The draft Accounts must be certified by the Council's Responsible Financial Officer (Section 151 Officer) by 31st July following the end of the financial year. It is confirmed that the accounts were signed off by this statutory deadline, being signed and loaded onto the Council's website on the 27th July 2022.
- The draft accounts and any associated financial documentation are made available for public inspection for a period of 30 working days. The accounts were available for public inspection from the 28th July to the 12th September 2022, but during this period neither the Council nor EY received any communications from the public.

- By the 30th September:
 - The Accounts must be re-certified by the Responsible Financial Officer
 - The Accounts must be approved by Members
 - The Accounts must be published together with any certificate, opinion or report issued by the appointed auditor.

3.3 In order to manage the workload of auditing a large number of local authorities across the East of England, EY informed the Director, Finance on the 11th March 2022, that they would not be starting the audit of the East Cambs Accounts until January 2023, with a proposed sign-off by the end of March 2023. However, subsequently there was a delay in signing off all Accounts nationally while an issue on pension valuations associated with the triennial valuation was resolved.

3.4 When the Statement of Accounts first came to Committee for approval on the 20th March 2023, the approval was granted on the basis that no changes of substance would be required. The pensions valuation adjustment as detailed above was for more than £2.5 million and as such, the Accounts are now brought back to Committee for further approval.

3.5 Under the Council's Constitution, it is the Audit Committee's function to approve the Statement of Accounts.

4.0 ARGUMENTS/CONCLUSION(S)

4.1 Members will note that EY identified a number of issues during the course of their audit. Issues identified prior to the agenda dispatch are detailed in the Audit Differences section of their Audit Results Report, as discussed previously on the agenda.

4.2 The version of the Statement of Accounts attached as appendix 1, includes all the adjustments identified in the Audit Results Report, and as such was up-to-date at this point.

4.3 However, as Members will have also noted from the Audit Results Report, EY had a small number of outstanding matters at the point of drafting, and as such, appendix 1 potentially remains subject to further Audit review and change if further issues are identified. As detailed in the recommendation, where these have been discussed previously at this meeting, adjustments will be made, and anything found after today's meeting will be discussed by EY, the Director, Finance and Chair of Committee and only brought back to Committee for further discussion if felt to impact on the overall substance of the Accounts.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

5.1. This report details the Council's financial position for the year ended 31st March 2022 in the prescribed format.

5.2. An Equality Impact Assessment (EIA) is not required.

5.3. A Carbon Impact Assessment (CIA) is not required.

6.0 **APPENDICES**

Appendix 1 – Statement of Accounts 2021/22 (printed separately)

Background Documents:

The Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code)

Final Accounts working papers