

- 2.3 The audit on the Statement of Accounts is expected to be complete in October 2021 and Grant Thornton will then produce an Audit Findings Report detailing their opinion on the accounts. Therefore, it should be noted that the attached Statement of Account is a draft, and the audit opinion will only be issued once the audit work is complete. Any further amendments required to the Statement of Accounts and the Audit Findings Report will be presented to Audit Committee on 9th December and Full Council on 16th December 2021.
- 2.4 To sign off the accounts in October, we would require either another Audit Committee or delegate to the Executive Director of Resources (section 151 officer). We would recommend an additional meeting but if impractical Audit Committee can delegate to the Executive Director of Resources (section 151 officer).
- 2.5 The draft Statement of Account has been subject to additional review by Grant Thornton's technical team and item 13 on the agenda details the External Audit progress report.

3. Recommendations

It is recommended that Members:

- A. Receive and comment on the revised draft Statement of Accounts attached as Appendix 1.
- B. Agree to set up an emergency meeting on 22nd October or Agree that the Executive Director of Resources (Section 151 Officer) be authorised to make any adjustments to the Statement of Accounts prior to publication on the Council's website.

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1 Details of the potential risks affecting the balances and financial health of the authority are considered within the revised draft Statement of Accounts.

5. Financial Implications

- 5.1 This report considers the overall financial position of the Authority in the form of the Council's Statement of Accounts. The accounts consider the level of assets controlled and owned by the Authority, and the level of balances held.

6. Climate Change Appraisal

- 6.1 The revised draft Statement of Accounts' report and recommendations have no direct effect on climate change.

7. Background

- 7.1 The Accounts and Audit Regulations 2015 state that members are required to approve the annual accounts after, rather than before, the findings of the audit are known. The formal date for approval and publication of the accounts for financial year 2020/21 is 30th September 2021 has amended by the Accounts and Audit Regulations due to the impact of the COVID-19 pandemic. The Council had consulted with the external auditors on this timescale and plan to substantively complete the audit testing by 30th September and issue an audit opinion in October 2021.
- 7.2 On 30th July 2021 this Committee considered a report from the Council’s S151 Officer setting out the details of the draft and unaudited Statement of Accounts for financial year 2020/21. It was agreed that the Committee would: Receive and comment on the covering report; the draft Statement of Accounts; and the Analytical Review of the draft Statement of Accounts. A copy of the 2020/21 revised draft Statement of Accounts is attached at Appendix 1.
- 7.3 The draft Statement of Accounts were then sent to Grant Thornton, the Council’s external auditors, who started their audit of the accounts on 2nd August 2021 and the audit continues to date. The audit of the accounts is expected to be substantially complete in September 2021 and is aims to issue their opinion in October 2021.
- 7.2 The Accounts and Audit Regulations 2015 also require that the Statement of Accounts is accompanied by the Council’s Annual Governance Statement which details the processes and procedures in place to enable the council to carry out its functions effectively. This will be reported to Full Council on 16th December 2021.

8. Changes from the Draft Statement of Accounts Certified by the Director of Resources (Section 151 Officer) on 31st July 2021

- 8.1 There have been no material changes identified to date during the audit however, there have been a number of other amendments made to the disclosures. The changes are summarised in Table 1 below with further details of the amendments provided in Section 8.3.

Table 1 - Amendments to Statement of Accounts

Amendment Reference	Amendment Made
A	Amendment to Critical Judgements in Applying Accounting Policies on the treatment of covid-19 grants
B	Amendment to Critical Judgements in Applying Accounting Policies on the treatment the LEP
C	Amendment to Long Term Unquoted Equity Investment
D	Correct typo in Financial Instruments Note
E	Amendment to Group Accounts Introduction
F	Amendment to Group Comprehensive Income and Expenditure Statement
G	Amendment to Note G1.4 of Group Accounts

- 8.2 Audit amendments made within the Pension Fund Accounts have now been reflected within the Pension Fund section of the Statement of Accounts. These

were changes to disclosures and presentational adjustments with no amendments required to the prime financial statements.

8.3 The below amendments have been made to the Statement of Accounts.

Amendment A – Amendment to Critical Judgements in Applying Accounting Policies on the treatment of covid-19 grants

The note has been updated to include further details on the treatment of covid-19 grants where the Council is deemed to be acting as an agent.

Amendment B - Amendment to Critical Judgements in Applying Accounting Policies on the treatment the LEP

The note has been updated to clarify the treatment of transactions relating to the Marches LEP in the Council's accounts.

Amendment C – Amendment to Long Term Unquoted Equity Investment

Update to the narrative included within the Long-Term Unquoted Equity Investment note.

Amendment D – Correct typo in Financial Instruments Note

A typo has been corrected within the Financial Instruments Note to amend Creditors that are not financial instruments from (12,7989) to (12,789).

Amendment E – Amendment to Group Accounts Introduction

Introduction updated to include further details in relation to the Jersey Property Unit Trust.

Amendment F - Correction to Group Comprehensive Income and Expenditure Statement

The 2018/19 figures had been included in the 2019/20 prior year comparators in error, therefore the 2019/20 figures have been updated.

Amendment G - Note G1.4 of Group Accounts

Additional information included to clarify the treatment of property, plant and equipment.

9. Conclusions

9.1 The audit of the 2020/21 Statement of Accounts is nearing completion and officers have worked effectively with the Council's external auditors to provide information to support the calculations and assumptions that underpin the draft statements.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Draft Annual Statement of Accounts 2020/21 - Audit Committee 30th July 2021

CIPFA's Code of Practice (Code) on Local Authority Accounting

CIPFA/SOLACE guidance on the Annual Governance Statement

Cabinet Member (Portfolio Holder)

Councillor Gwilym Butler

Local Member

Appendices

Appendix 1: Revised Draft Statement of Accounts for financial year 2020/21