

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Audit & Standards Committee
08 November 2021

Report Title: Audited Statement of Accounts 2020/21

Submitted by: Head of Finance (Section 151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To receive the final accounts and audit findings report for the financial year 2020/21.

Recommendation

- 1. The final accounts for the financial year 2020/21 be received and approved.**
- 2. The audit findings report for the financial year 2020/21 be received.**

Reasons

The Council is required to publish its audited accounts for the financial year 2020/21 on 30 September 2021, or where circumstances dictate, as soon as reasonably practicable after this date.

1. Background

- 1.1 The Accounts and Audit Regulations (Amendment) 2021 require that for the 2020/21 accounting period the publication of authority accounts shall be no later than 30 September 2021 if the audit has been concluded. It was previously expected that the final Statement of Accounts would be presented to the Audit and Standards Committee for approval on 27 September 2021.
- 1.2 Where the audit of the financial statements has not been completed by this date the authority should, as soon as reasonably practicable on or after this date, publish on its website a notice stating that it has not been able to publish the accounts and the reasons for this.
- 1.3 A notice was placed on the Council's website on 30 September 2021 stating that the accounts could not be published on this date due to issues beyond both the Council and Grant Thornton's control, these related to delays in the completion of the audit of the Staffordshire Pension Fund by another audit firm.
- 1.4 The Accounts and Audit Regulations govern the way in which a local authority should present its financial affairs. The regulations require the Council to produce a statement of accounts for the financial year detailing its financial transactions for the year and its position at the year end and that this Statement be scrutinised and approved by an appropriate committee, in this case the Audit and Standards Committee. The Statement is produced in a standardised form in line with CIPFA (the Chartered Institute of Public Finance and Accountancy) guidelines. They set out procedures which must be followed with regard to public inspection rights, audit, approval and publication of the statement.

- 1.5 The Regulations require the draft Statement of Accounts to be certified by the responsible financial officer, the Head of Finance (Section 151 Officer), as presenting a true and fair view of the Council's financial position by 31 July and this was done on 19 July 2021. During the first ten working days of August 2021, the public had the right to inspect the accounts. No objections to the draft accounts were received.
- 1.6 The Council's external auditors Grant Thornton have advised that they expect to issue their Audit Findings Report and opinion on the financial statements during the first week of November and this will follow as soon as it is received.

2. **Issues**

- 2.1 Since the last meeting of this Committee officers have continued to work closely with the external auditors to complete the audit.
- 2.2 Grant Thornton have advised that they expect to issue their Audit Findings Report including their opinion on the financial statements during the first week in November. The accounts will be recertified by the Council's Head of Finance (S151 Officer) and be made available for Members to inspect at this point.
- 2.3 The Committee are now asked to formally receive the audited accounts and the final audit findings report. The annual audit letter will be presented to the Committee at the February meeting.
- 2.4 As a result of the ongoing COVID-19 pandemic the National Audit Office has updated its guidance to auditors to allow them to postpone completion of their work on arrangements to secure value for money and to focus resources on the delivery of opinions on the financial statements. As a result the Auditor's Annual Report, including commentary on arrangements to secure value for money will be published no later than January 2022 and will be reported to the Audit and Standards Committee on 7 February 2022.

3. **Proposal**

- 3.1 The Audited Statement of Accounts for 2020/21 be received and approved by the committee together with the Audit Findings Report for 2020/21.

4. **Reasons for Proposed Solution**

- 4.1 Regular reporting of the Council's financial position is a key discipline supporting sound financial management and corporate governance.

5. **Options Considered**

- 5.1 Completion of the statement is best practice and demonstrates the transparency of the Council's Governance arrangements for 2020/21.

6. **Legal and Statutory Implications**

- 6.1 The Council must comply with the Accounts and Audit Regulations 2015, in particular the requirement to publish the financial statements.

7. **Equality Impact Assessment**

- 7.1 There are no differential equality issues arising directly from this report.

8. **Financial and Resource Implications**

8.1 There are no financial and resource implications arising directly from this report.

9. **Major Risks**

9.1 If internal controls are not managed effectively and within the law, public resources will not be safeguarded from waste or property accounted for.

9.2 If internal controls are not reviewed regularly, continuous improvement may not be exercised.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 Not applicable for this report.

11. **Key Decision Information**

11.1 This is not a key decision, the report is for informational purposes and is considered best practice.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Not applicable for this report.

13. **List of Appendices**

Appendix 1: Audited Statement of Accounts for the Financial Year 2020/21

Appendix 2: Audit Findings – Grant Thornton