

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 27 JULY 2022



Title of Report	STATEMENT OF ACCOUNTS UPDATE REPORT	
Presented by	Anna Crouch Finance Team Manager & Deputy S151 Officer	
Background Papers	Audit Strategy Memorandum – Audit Committee 21 April 2021 External Audit Progress Report – Audit Committee 20 October 2021 External Audit Update (verbal) – Audit Committee 19 January 2022	Public Report: Yes
Purpose of Report	To provide the Audit Committee with an update on the progress of the Authority’s 2020/21 and 2021/22 Statement of Accounts.	
Recommendations	FOR MEMBERS TO NOTE THIS REPORT AND MAKE ANY COMMENTS	

1.0 BACKGROUND

1.1 This report is to update the audit committee of the progress of both the 2020/21 and 2021/22 Statement of Accounts.

2.0 STATEMENT OF ACCOUNTS 2020/21

2.1 The draft Statement of Accounts for 2020/21 were published on the 31 July 2021 in line with the statutory deadline. As reported by a verbal update by the Head of Finance at the January 2022 Audit and Governance Committee, that in accordance with the ongoing audit, the review of the Council’s property, plant and equipment was still underway. This is a technical accounting issue and has no impact on the General Fund or the Council’s financial position.

2.2 Since the previous update, all the Council’s land and building that are valued based on size (floor area, hectares etc.) have been measured by an independent valuer. These measurements have now been provided to the Council’s valuer (Wilks, Head and Eve) to enable updated valuations to be produced. We are expecting to receive these valuations by the end of July. Once the updated valuations have been received, the accounts will be updated, and a revised draft will be published. This will enable the audit to be concluded. We anticipate that the revised draft will be published by the end of September 2022 and the audit concluded by early January.

3.0 STATEMENT OF ACCOUNTS 2021/22

- 3.1 The publication of the draft 2021/22 Statement of Accounts will be delayed due to the ongoing issues with the 2020/21 accounts. This will mean that the statutory deadline will be missed. A notice will be placed on the council's website to this effect.
- 3.2 Work commenced on the closedown of the 2021/22 accounts in April as planned. A large amount of the work scheduled has been complete. However, the Property, Plant and Equipment (PPE) issue and the loss of HRA financial expertise (through resignation and retirement) has meant the accounts production had to be put on hold due to the challenging recruitment market. These positions have recently been filled on an interim basis.
- 3.3 The council is not alone with the late publication of the accounts. The national picture is detailed in the table below. The table details the last accounts published by type of authority

Table A: Latest Statement of Accounts Published by Authority Type (as 12/07/22)

Authority Type	18/19 Draft	18/19 Final	19/20 Draft	19/20 Final	20/21 Draft	20/21 Final	21/22 Draft	Total
County	0	0	0	0	6	13	6	25
Met	0	0	1	0	11	16	8	36
Unitary	1	0	2	1	28	12	12	56
Inner London	0	0	1	0	4	5	2	12
Outer London	0	0	2	0	9	5	4	20
Districts	1	2	4	3	82	67	22	181
Total	2	2	10	4	140	118	54	330

- 3.4 The above table shows that 50% of all districts have not yet published the final 2021/22 accounts. However, 12% have already published the draft 21/22 accounts ahead of the 31 July deadline.

4.0 PUBLICATION TIMELINE

- 4.1 Table B details the forecasted timeline for publishing the 2020/21 and 2021/22 Accounts.

Table B: Statement of Accounts Publication Timeline

Activity	Forecast Date
2020/21 Statement of Accounts – updated Draft	30/09/22
2021/22 Provisional Outturn – Cabinet	06/12/22
2021/22 Statement of Accounts – Draft	09/12/22
2020/21 Statement of Accounts – Final	06/01/23
2020/21 Statement of Accounts – Approval - Audit Committee	25/01/23
2021/22 Statement of Accounts – Final	06/04/23
2021/22 Statement of Accounts – Approval - Audit Committee	26/04/23

- 4.2 The successful achievement of the above timeline is based on several factors, some of which are outside the control of the Council:
- The information from the valuer is received by the 31 July 2022.
 - External Audit resources are available to complete the audits.
 - The findings from the external audit do not to create any further delays.

- d) The capacity of the finance team is available to be able to finalise the accounts and support the audit. In addition to the accounts, the team is also in the process of implementing a new finance system which is scheduled to go live in December 2022, budget setting for 2023/24 will commence in September and the monitoring of the 22/23 budgets will continue throughout the year.

Policies and other considerations, as appropriate	
Council Priorities:	Effective management of the council's finances underpins the delivery of all council priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community/Tenant Engagement:	External Auditors – Mazars
Risks:	The late publication of the accounts could have a detrimental impact of the Council's financial standings and reputation.
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