

Classification: Open	Decision Type: Key
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Report to:	Audit Committee	Date: 12 January 2022
Subject:	STATEMENT OF Accounts 2020/21	
Report of	Leader and Cabinet Member for Finance and Growth	

Summary

1. In accordance with the Accounts and Audit Regulations 2015 (as amended by the Accounts and Audit (Amendment) Regulations 2021) the Draft Statement of Accounts 2020/21 was signed by the Executive Director for Finance, S151 Officer on 21st July 2021 ahead of the 31 July 2021 deadline. The Statement of Accounts were presented to Audit Committee on the 22nd of December 2021 and a number of actions were outstanding. The committee agreed to meet in January 2022 once these actions had been completed. The Committee is required to consider and approve the audited accounts before they are published, and publication must take place as soon as reasonably practicable after the audit opinion has been received.
2. The year-end audit, carried out by our auditors Mazars, commenced on 4th October 2021 and has been substantially concluded at the time of writing this report. This report details the additional changes made to the Statement of Accounts arising from the findings of the audit from 22nd December 2021 to date.

Recommendation(s)

3. Note the changes to the Statement of Accounts 2020/21 as a result of the annual audit as detailed in paragraphs 9 to 11, There have been no further adjustments which has affected the outturn for the Council for 2020/21.
4. Consider and approve the audited Statement of Accounts 2020/21.
5. Approve the rationale for not correcting the additional unadjusted misstatement and approve the rational for correcting the additional misstatements.

Reasons for recommendation(s)

6. It is a legal requirement that the Statement of Accounts 2020/21 is considered and approved by this committee, following the audit, and signed by the person presiding at this meeting. The legislation sets a target date for publication of Audited 30th September 2021. The Statement of Accounts must be published by that date or as soon as reasonably practicable after the receipt of the auditor’s final findings.

Alternative options considered and rejected

7. The Statement of Accounts has been prepared in accordance with statutory requirements. No other options have been considered as it is a legal requirement that the Statement of Accounts is prepared, and signed by the person presiding at this meeting, following completion of the audit.

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Background

8. There is a single of adjustments to the Statement of Accounts arising from the findings of the audit and since the production of the Statement of accounts to Audit Committee on the 22nd of December 2021.
9. The updated Statement of Accounts is available at Appendix A. The adjustments to the main statement is outlined below,
 - a. Investment Properties: External Valuation on land lease had been recognised in the accounts but upon testing it was evidenced there was an additional lease element which had not been included by the valuer. Bury's share of the income from this lease is £28k and below the trivial threshold however the capital value of the additional lease is £605k and this has been adjusted on the balance sheet to reflect this increase.
 - b.

Unadjusted Audit Differences

10. Investment properties – The movement of fair value of investment properties had not been taken to financing and investing income and expenditure as per Cipfa requirements.
11. We have not corrected the accounts on this audit differences because:
 - a. This is a technical adjustment requiring systems input which does not affect the bottom line of the Accounts. The changes will be undertaken as part of the preparation for closedown in 2021/22.

Statement of Accounts

12. The Statement of Accounts is a complex document and the layout and information provided are defined by statutory requirements. The key issues that should be drawn to the attention of Committee were presented at its meeting on 20th December 2021. A copy of this is available at Appendix B

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

13. A strong financially sustainable Council is essential to the delivery of the Let's do it Strategy.

Equality Impact and Considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Environmental Impact and Considerations:

Please provide an explanation of the carbon impact of this decision.

14. There are no implications to an increased carbon impact of this decision

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
There is a risk of misstatement	Accounts are reviewed by Mazars and their opinion of these accounts is independent to the council.

Legal Implications:

To be completed by the Council's Monitoring Officer.

15. The localised accounts process was established pursuant to the Local Audit and Accountability Act 2014, the system ensures that the Councils accounts are independently verified by the Council's external auditors Mazars ensuring good governance and financial transparency. This report is submitted to Audit

committee in accordance with the financial regulations as set out in the Council constitution.

Financial Implications:

- a. The statement of accounts are an essential part of any organisation and represent the financial position of the business for that particular financial year. For public sector organisations they are statutory and give the public and central government assurance that tax payers money is being expended in an economic and efficient way. These accounts not only report the in year position but also the future stability of the organisation through the strength of its balance sheet and cash flow.
 - b. The draft accounts and an updated Statement of Accounts have previously been reported to Audit Committee and the draft financial outturn position was subsequently reported to Cabinet. These accounts now represent the post audited position and whilst they reflect a worsening in the outturn it should be noted that in doing so this is recognising an error that has been unidentified for a significant number of years.
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Background papers:

Please list any background documents to this report and include a hyperlink where possible.

Appendix A – Statement of Accounts 2020/21