

East Herts Council Report

Audit and Governance Committee

Date of meeting: 16th March 2023

**Report by: Steven Linnett, Head of Strategic Finance & Property
(s.151 Officer)**

Report title: Approval of the 2020/21 Statement of Accounts

Ward(s) affected: All

Summary - This report presents the 2020/21 Statement of Accounts to the Audit and Governance Committee for approval.

RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE:

a) Approve the 2020/21 Statement of Accounts.

1.0 Proposal(s)

- 1.1 The Statement of Accounts is attached as Appendix A to this report.
- 1.2 The accounts have been prepared following the "Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 based on International Financial Reporting Standards" issued by the Chartered Institute of Public Finance and Accountancy (the Code).
- 1.3 The Code constitutes "proper accounting practice" under section 66(4) of the Local Government and Housing Act 1989 and Regulation 7 of the Accounts and Audit Regulations 2015 and deviations from it will usually lead to a qualified audit opinion..

- 1.4 The accounts have been prepared following International Financial Reporting Standards (IFRS). The Movement in Reserves Statement reverses out most IFRS adjustments, particularly pensions, non-current asset revaluations and depreciation, to return to the same basis as Council Tax is levied.
- 1.5 In approving the Statement of Accounts the Committee is not expected to verify each figure and its accuracy. The Committee is expected to place reliance on the work of Internal Audit that the Council's financial systems are operating soundly and that its corporate governance arrangements are also sound, and that the external auditor has completed their audit and are prepared to give an opinion that the accounts give a true and fair view of the Council's financial position.
- 1.6 In accordance with Sections 26 and 27 of the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015, Regulations 14 and 15 the accounts were open to public inspection and no objections or questions from local electors were received.
- 1.7 The accounts are subject to audit by EY LLP who are the auditor appointed by Public Sector Audit Appointments Ltd. They have conducted their audit and made a Final Audit Results Report in accordance with International Standards on Auditing (UK & Ireland) (ISA (UK & Ireland)), which is elsewhere on the agenda.

2.0 Background

- 2.1 Regulation 9 (2) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to

normally take place before 30 September immediately following the end of a year.

- 2.2 The Council has designated the Audit and Governance Committee as the committee of Council to approve the Statement of Accounts

3.0 Reason(s)

- 3.1 To comply with Regulation 9 (2) of the Accounts and Audit Regulations 2015.

4.0 Options

- 4.1 Members can ask questions and make observations but they must approve the statement of accounts

5.0 Risks

- 5.1 The delay to the completion of the audit, caused by the external auditors across the local audit market having insufficient resources causes severe pressures on staff trying to produce the budget and answer audit queries at the same time.
- 5.2 There is a risk that the delay to the external audit undermines a fundamental support to the council's financial control environment as well as undermining transparency to the public.

6.0 Implications/Consultations

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

These are contained in the main body of the report

Health and Safety

No

Human Resources

These are contained in the main body of the report

Human Rights

No

Legal

These are covered in the main body of the report.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

Appendices:

Appendix A – 2020/21 Statement of Accounts

Background Papers:

None

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