

## BRECKLAND DISTRICT COUNCIL

**Report of:** Maxine O'Mahony, Executive Director Strategy & Resources

**To:** Governance and Audit Committee, 30 September 2021

**Author:** Alison Chubbock, Assistant Director Finance

**Subject:** Audited annual statement of accounts

**Purpose:** To present the audited statement of accounts to Governance and Audit committee for approval

### **Recommendation(s):**

- 1) That, subject to the finalisation of the audit of the accounts by Ernst & Young and their conclusion of the pension assurance, the Governance and Audit Committee approve
  - a) The final audited statement of accounts 2020-21
  - b) The annual governance statement (AGS) 2020-21
  - c) The letter of representation 2020-21

### **1.0 BACKGROUND**

- 1.1 The Accounts and Audit Regulations 2015 require that the audited statement of accounts be considered and approved by a committee of the Council no later than 31 July each year, however for 2020-21 and 2021-22 MHCLG have confirmed changes to these regulations to extend the statutory deadline to 30 September for all local authorities.

At the 29 July 2021 Governance and Audit Committee meeting Members reviewed the un-audited statement of accounts. Since this meeting, Ernst and Young have almost completed their audit however at the date of writing this report it has not completely finalised. Their Audit Results Report agenda item at this meeting provides an update on their findings and progress to date and an update will be provided at the meeting on 30 September.

The Ernst & Young Audit Results Report also includes an update on an issue relating to pensions valuations which affects all Local Government audits, page 16 of their report provides further details.

- 1.2 The audit results have been very positive so far and only minor changes have been made as a result of audit findings:
- Going concern disclosure note added (note 32)
  - Items updated which were identified at the July Governance and Audit Committee meeting relating to totals in notes 8, 9 and 23
  - Note to the expenditure and funding analysis (note 2) amended to correct values
  - Changes to the narrative report to correct roundings and disclosures compared to the main statements
  - Group accounts movement in reserves statement adding up correction
  - Update to prior year comparatives which were incorrect in notes 26 and 21

Following receipt of the final audited information from the Norfolk Pension Fund, these values have also been updated and have reduced the pension deficit value by £1,426k. These changes have impacted on the following areas of the accounts:

- Comprehensive Income and Expenditure Statement
- Movement in Reserves Statement
- Balance Sheet
- Note 7 – Pensions
- Group Accounts
- Narrative report

- 1.3 The statement of accounts 2020-21 which includes the Annual Governance Statement are attached at Appendix A and the Letter of Representation is attached at Appendix B.

These statements at Appendix A are based on all identified changes to date, any subsequent changes identified during the finalising of the audit will be provided to Members at the meeting.

This report recommendation to approve the accounts and associated documents will only be recommended subject to the Ernst & Young Audit finalising and the identified pension issue being finalised. If either of these are still in progress on 30 September, then the accounts and associated documents cannot be approved by the Committee, instead an alternative recommendation will be provided at the meeting dependent on the issues remaining outstanding.

## 2.0 **OPTIONS**

- 2.1 That, subject to the finalisation of the audit of the accounts by Ernst & Young and their conclusion of the pension assurance, the Governance and Audit Committee approve

- The final audited statement of accounts 2020-21
- The annual governance statement (AGS) 2020-21
- The letter of representation 2020-21

- 2.2 If the audit of the accounts is not finalised and/or the emerging pensions issue has not been finalised, then an alternative option may be proposed for Members at the meeting.

- 2.3 Do nothing.

## 3.0 **REASONS FOR RECOMMENDATION(S)**

- 3.1 To comply with the Accounts and Audit Regulations 2015 and provide an audited statement of accounts for our residents.

## 4.0 **EXPECTED BENEFITS**

- 4.1 Compliance with the Accounts and Audit Regulations 2015.

## 5.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 **Constitution & Legal**

5.1.1 Accounts and Audit Regulations 2015

5.2 **Financial**

5.2.1 The report and appendices are financial in nature

5.3 **Risk Management**

5.3.1 Risks are included within the statement of accounts where necessary.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 N/A

7.0 **ACRONYMS**

7.1 AGS – Annual Governance Statement

7.2 MHCLG – Ministry of Housing, Communities and Local Government

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**Background papers:-**

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**Key Decision:** No

**Exempt Decision:** No

**This report refers to a Mandatory Service**

**Appendices attached to this report:**

Appendix A Statement of accounts 2020-21  
Appendix B Letter of representation 2020-21