

**Cheltenham Borough Council**  
**Audit, Compliance and Governance Committee**  
**12 January 2022**  
**Final Statement of Accounts 2020/21**  
**Report of the Deputy Section 151 Officer**

<b>Accountable member</b>	<b>Councillor Peter Jeffries, Cabinet Member for Finance and Assets</b>
<b>Accountable officer</b>	<b>Gemma Bell, Head of Property, Finance and Assets</b>
<b>Accountable scrutiny committee</b>	<b>Audit, Compliance and Governance Committee</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Significant Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>In line with the Government timeline for publication of Local Authority Statement of Accounts the final audited accounts for 2020/21 are required to be published by 30 September 2021.</p> <p>The final audited Statement of Accounts was published on 29 October 2021 together with the opinion of the external auditors, Grant Thornton UK LLP. The delay arose due to a combination of factors, comprising the following:</p> <ul style="list-style-type: none"> <li>• the impact of Covid-19 on both the complexity of the audit and pace at which it could be completed;</li> <li>• the inherent complexity of the Council's 2020/21 statement of accounts;</li> <li>• the increased assurance work that auditors are required to carry out nationally with respect to pensions and asset valuations; and</li> <li>• the planned timing of the audit due to a later sign off of the prior year audit.</li> </ul> <p>A Notice of Delay in the publication of accounts was published on the Council's website which outlined this.</p> <p>The purpose of this report is to present the final accounts to the Audit, Compliance and Governance Committee for approval.</p>
<b>Recommendations</b>	<p>It is recommended that:</p> <p>a) Audit Committee formally note the approval of the final Statement of Accounts for the year ended 31st March 2021</p>

<b>Financial implications</b>	As included in the Statement of Accounts 2020/21.  <b>Contact officer:</b> <a href="mailto:gemma.bell@cheltenham.gov.uk">gemma.bell@cheltenham.gov.uk</a>
<b>Legal implications</b>	<i>This report adopts relevant guidance issued in the Accounts and Audit Regulations 2003 and 2011.</i>  <b>Contact officer:</b> <i>Sarah Farooqi, Legalservices@onelegal.org.uk</i>
<b>HR implications (including learning and organisational development)</b>	<i>None arising directly from this report.</i>  <b>Contact officer:</b> <i>Julie McCarthy , HR Manager, Publica Group Limited julie.mccarthy @publicagroup.uk, 01242 264355</i>
<b>Key risks</b>	There are no risks arising from this report which need to be brought to the attention of members.
<b>Corporate and community plan Implications</b>	None
<b>Environmental and climate change implications</b>	None.

## **1. Background**

- 1.1** The Accounts and Audit Regulations require the council to prepare an annual statement of accounts by 31 May of each year. The Section 151 Officer must sign and date the draft statement of accounts, and certify that they accurately present the financial position of the council. There should then be a period of public inspection of the accounts. Due to Covid-19, these regulations were again changed for 2020/21 and the date amended to the 31 July 2021 for the 2020/21 financial year.
- 1.2** The Regulations then require that the draft accounts be audited and for the audited statement of accounts to be considered and approved by way of a council committee by 31 July, following the year end. The Section 151 Officer must re-certify the audited statement of accounts prior to this meeting. Following approval by the Committee, the statement of accounts is to be signed and dated by the person presiding at the meeting. Council has delegated authority to the Audit Committee to review and approve the audited statement of accounts. Due to Covid-19, these regulations were changed and the date amended to the 30 September 2021 for the 2020/21 financial year.
- 1.3** The draft Statement of Accounts for 2020/21 was signed by the Section 151 Officer on 31 July 2021, with the work completed in accordance with the statutory deadline. The public inspection period operated from 2 August 2021 to 12 September 2021 and a public notice to that effect was publicised on the Council's website.
- 1.4** At the last meeting of the Audit Committee on 22 September the Committee reviewed and in principal approved the draft Statement of Accounts dated 14 September 2021. It also approved the delegation of authority to the Chair of the Committee to sign the final version of the accounts and management representation letter, subject to no significant issues being raised by audit.

## **2. Auditor's Report**

- 2.1** The council's external auditors, Grant Thornton UK LLP, conducted a full audit of the financial statements and issued a 'Report to those charged with governance (ISA 260) for 2020/21', which gave the Statement of Accounts an unqualified audit opinion in relation to the Council's Statement of Accounts 2020/21.

## **3. Reasons for recommendations**

- 3.1** The final audited Statement of Accounts were published on 29 October 2021 together with the opinion of the external auditors, Grant Thornton UK LLP. The delay arose due to a combination of factors, comprising the following:
  - the impact of Covid-19 on both the complexity of the audit and pace at which it could be completed;
  - the inherent complexity of the Council's 2020/21 statement of accounts;
  - the increased assurance work that auditors are required to carry out nationally with respect to pensions and asset valuations and;
  - the planned timing of the audit due to a later sign off of the prior year audit.
- 3.2** In line with the Committee's decision on 22 September, the Chair of the Committee signed the final version of the accounts and management representation letter on behalf of the Council on 29 October 2021. The auditors, Grant Thornton UK LLP, issued an unqualified audit opinion in relation to the Council's Statement of Accounts 2020/21 on the same day.
- 3.3.** A copy of the draft Statement of Accounts 2020/21 is attached at Appendix 1 to this report.

#### 4. Letter of representation

- 4.1. As part of the approval process for the Statement of Accounts, the Council is required to provide a Letter of Representation to the external auditor. This is to confirm or notify any material factor that could affect the auditor's view of the accounts since formal closure at 31 March 2021.
- 4.2 Note 31 outlines contingent liabilities; these are issues that currently exist but had no materialised by 31st March 2021. As Section 151 Officer I can confirm there has been no resolution to date of these matters, nor any other changes that I need to report to the external auditor.
- 4.3 The signing of the Letter of Representation was delegated to the Chair of the Audit Committee as part of the approval of the draft Statement of Accounts on 22 September 2021. This letter was signed by management and the Chair of the Committee on 29 October 2021.

<b>Report author</b>	<b>Contact officer: Gemma Bell</b> <b>Head of Property, Finance and Assets (Deputy s151 Officer)</b> <b>gemma.bell@cheltenham.gov.uk</b>
<b>Appendices</b>	Appendix 1 – Statement of Accounts 2020/21
<b>Background information</b>	<ol style="list-style-type: none"><li>1. Code of Practice on Local Authority Accounting in the UK 2020/21 Accounts</li><li>2. Draft Accounting Policies presented to Audit Committee 14 July 2021</li><li>3. Draft Statement of Accounts and Management Letter of Representation report to Audit Committee 22 September 2021</li></ol>