

WELWYN HATFIELD BOROUGH COUNCIL
AUDIT COMMITTEE – 28 MARCH 2022
REPORT OF THE HEAD OF RESOURCES

2020-21 STATEMENT OF ACCOUNTS

1 Executive Summary

- 1.1 The Statement of Accounts for the financial year 2020/21 is presented for approval by this committee as external audit finalise their audit work.
- 1.2 There were no material changes to the accounting policies for the 2020/21 accounts.
- 1.3 The contents of the accounts are largely determined by statutory requirements and mandatory professional standards as set out within The Code of Practice on Local Authority Accounting (The Code) and the Service Reporting Code of Practice (SeRCOP) published by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.4 The 2020/21 accounts are expected to receive an unqualified audit opinion. If there are any changes to this position, a verbal update will be provided by EY LLP at the meeting.
- 1.5 It should also be noted that based on the work completed by external audit, the council is expected to receive a positive value for money conclusion, which means the council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.
- 1.6 The draft 2020/21 statement of accounts was approved by the Head of Resources (as the Council's S151 Officer) on 17 June 2021 ahead of the deadline of 31 July 2021.
- 1.7 The deadline for the publication of audited local authority accounts was extended to 30 September 2021 for the 2020/21 accounts. However, owing to resourcing issues affecting audit firms nationally, the auditors have been unable to meet this deadline. These delays have affected many local authorities, and a notice was published on the Council's website to explain why the audited Statement of Accounts could not be published by the deadline of 30 September.

2 Recommendation(s)

- 2.1 That the Committee agree to grant delegated authority to the Head of Resources in consultation with the Chairman of the Audit Committee to approve the Statement of Accounts for 2020/21 and to sign the letter of representation. An email notification will be sent to all Audit Committee members once the audit on the statement is concluded with a link to the published accounts and audit opinion.

3 Explanation

- 3.1 The 2020/21 deadlines for approval of the Statement of Accounts have been extended by The Accounts and Audit (Amendment) Regulations 2021. The 2020/21 Statement of Accounts was required to be approved by the S151 Officer by 31 July 2021 and external audit were required to finish the audit process by 30 September 2021. Section 1.7 above explains why this has been delayed for the 2020/21 accounts.
- 3.2 A copy of the Statement of Accounts is shown in Appendix A. There are not expected to be any further changes to this document.

Implications

4 Legal Implication(s)

- 4.1 The Head of Resources, as the Council's S151 Officer, has the powers within the Council's Financial Regulations to amend and update the accounting policies; the role of the Audit Committee is to consider and approve the Council's Statement of Accounts.
- 4.2 There is a statutory requirement to publish the approved and audited 2020/21 Statement of Accounts by 30 September 2021. As is required, a notice was published on the Council's website to explain why this was not possible for the 2020/21 accounts.

5 Financial Implication(s)

- 5.1 There are no direct financial implications arising from this report or recommendations.

6 Risk Management Implications

- 6.1 There is a risk that the Statement of Accounts fails to meet regulatory and professional standards or timetables (likelihood low, impact high). The potential impacts include qualification of the Statement of Accounts and/or balances on accounts may be uncertain. Members should note that effective controls have been put in place (e.g., staff training) to minimise the likelihood of occurrence.

7 Security and Terrorism Implication(s)

- 7.1 None.

8 Procurement Implication(s)

- 8.1 None.

9 Climate Change Implication(s)

- 9.1 None.

10 Human Resources Implication(s)

- 10.1 None.

11 Health and Wellbeing Implication(s)

11.1 None.

12 Communication and Engagement Implication(s)

12.1 None.

13 Link to Corporate Priorities

13.1 The subject of this report is linked to a statutory requirement, under Accounts and Audit Regulations 2015, and amended by The Accounts and Audit (Coronavirus) Amendments Regulations 2020 (SI 2020/404).

14 Equality and Diversity

14.1 An EqIA was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

Name of author	Richard Baker and Helen O’Keeffe
Title	Head of Resources and Service Manager (Financial Services)
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