

# Report to Audit and Risk Assurance Committee

21<sup>st</sup> December 2021

<b>Subject:</b>	Statement of Accounts and Audit Findings Report 2019/20
<b>Director:</b>	Director of Finance – Simone Hines
<b>Contact Officer:</b>	Rebecca Maher <a href="mailto:rebecca_maher@sandwell.gov.uk">rebecca_maher@sandwell.gov.uk</a>

## 1 Recommendations

- 1.1 That the revised Statement of Accounts for 2019/20, as attached at Appendix 1 be approved.
- 1.2 That the revised Audit Findings Report for 2019/20, as attached at Appendix 2 be noted.

## 2 Reasons for Recommendations

- 2.1 The Statement of Accounts and Audit Findings Report for 2019/20 were approved by the Committee on 17<sup>th</sup> September. At that meeting the Committee were informed that there were some audit issues still to resolve but these were expected to be minor.
- 2.2 Final audit issues have now been resolved but this has led to some adjustments to the accounts that, due to their nature, could not be considered minor and therefore the Committee needs to approve an updated version of the Statement of Accounts and Audit Findings report.



### 3 How does this deliver objectives of the Corporate Plan?



The Council's financial position and financial management arrangements helps to achieve all aspects of the Council's Corporate Plan

### 4 Context and Key Issues

- 4.1 The Statement of Accounts for 2019/20 is required to be approved in order for the Council to meet its statutory obligations in relation to financial reporting.
- 4.3 The Statement is a lengthy document, indicative of the complexity of Local Government accounting rules. The key statements are:-
- Comprehensive Income and Expenditure Statement
  - Movement in Reserves Statement
  - Balance Sheet
  - Cash Flow statement
  - Housing Revenue Account
  - Collection Fund Statement
- 4.4 There are then a number of notes to these statements that provide further detail.
- 4.5 Since the accounts were approved in September, outstanding audit issues have been resolved which has led to further adjustments to the accounts being required. These relate to a change in the calculation of the Council's Capital Financing Requirement and adjustments to the way in which internal recharges are presented in the accounts. These adjustments are set out in more detail in the Audit Findings Report from Grant Thornton.

### 5 Alternative Option

- 5.1 There are no alternative options to be considered.



## 6 Implications

<b>Resources:</b>	The Statement of Accounts sets out the Council's financial position for the year ended 31 <sup>st</sup> March 2020
<b>Legal and Governance:</b>	The Accounts and Audit Regulations require the accounts to be completed and audited a set date each year (which has been amended on a temporary basis during the COVID pandemic)
<b>Risk:</b>	The Statement of Accounts sets out the financial risks the authority is facing and makes provisions for these where appropriate
<b>Equality:</b>	Not applicable
<b>Health and Wellbeing</b>	No specific implications
<b>Social Value</b>	Not applicable

## 7. Appendices

Appendix 1 – Statement of Accounts 2019/20 (to follow)

Appendix 2 – Audit Findings Report (to follow)

## 8. Background Papers

CIPFA Code of Practice on Local Authority Accounting and associated guidance

