

Committee(s): Audit and Scrutiny Committee	Date: 25 th July 2022
Subject: Unaudited Statement of Accounts 2021/22	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate Director (Finance and Resources)	Public
Report Author/s: Name: Phoebe Barnes, Corporate Finance Manager Telephone: 01277 312500 E-mail: phoebe.barnes@brentwood.gov.uk Name: Jacqueline Van Mellaerts, Corporate Director (Finance and Resources) and Section 151 Officer. Telephone: 01277 312500 E-mail: Jacqueline.vanmellaerts@brentwood.gov.uk	For Decision & Note

Summary

This report presents the Council's unaudited Statement of Accounts for 2021/22, the accounts will be signed by the Corporate Director (Finance & Resources) by 31st July 2022 in line with requirements of the Accounts and Audit (Amendment) Regulations 2015. They will be published on the Council's website and will be subject to public inspection under section 26 of the Local Audit and Accountability Act 2014.

The Group accounts have been compiled with Seven Arches Investment Limited (SAIL) draft accounts. If the audited version is returned in time for publication, officers can make appropriate changes to the Council's group accounts by the publication deadline.

The Annual Governance Statement is an annual review and published alongside the statement of accounts. The Statement is also subject to external audit.

Recommendation(s)

- R1 To note the unaudited Statement of Accounts for 2021/22 in Appendix A.**
- R2 That the Annual Governance Statement 2021/22 attached in Appendix B is endorsed and signed by the Chief Executive and Leader of the Council.**

Main Report

Introduction and Background

1. This report presents the Unaudited statement of Accounts for 2021/22 for the Council and for the Group (the Council and its subsidiary company). They comprise the following sections:

a) Narrative Report

This provides an easily understandable guide to the most significant matters reported in the accounts.

b) Group Accounts

These statements and notes show the consolidated financial position of the Council and its subsidiary.

c) Movement in Reserves Statement

This summarises of the movements in the financial year within the different reserves held by the Council.

d) Comprehensive Income and Expenditure Statement

This statement brings together the expenditure and income relating to all the services for which the Council is responsible and demonstrates how the net cost for the year has been financed. The services shown are in accordance with generally accepted accounting practices.

e) Balance Sheet

This sets out the financial position of the Council as 31 March 2021. The Balance Sheet reflects the balances and reserves, and net current assets employed in all its operations, together with summarised information on any fixed assets held.

f) Cash Flow Statement

This summarises the Council's cash transactions throughout the year.

g) Notes to the Core Financial Statements including Accounting Policies

These provide supporting analysis to the Core Financial Statements. The significant Accounting Policies outline the legislation and principles upon which the Statement of Accounts has been prepared.

h) Housing Revenue Account Income and Expenditure Statement

The Housing Revenue Account (HRA) Income and Expenditure Statement shows the economic cost for the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and other income. Councils charge rents to cover expenditure in accordance with regulations - this may be different from the accounting cost.

i) Collection Fund

This reflects the Council's statutory obligation to maintain a separate Collection Fund. It shows the transactions of the Council in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and Non-Domestic rates (NDR)

j) Accounting Policies and the basis of any Judgements and Estimates in the Accounts

This section explains the rules around the preparation of the Accounts, as well as the assumptions/estimates applied.

Issue, Options and Analysis of Options

2. In December 2021 DLUHC announced its intention for the following dates to apply for the 2021/22 accounts and audit process in England.
 - 31st July 2022 – Publication of the unaudited statement of
 - 30th November 2022 - Publication of the audited statement of accounts (currently subject to the publication of secondary legislation to formalise this extended date).

 - With effect from 2022/23, the deadline for the publication for the unaudited accounts will, subject to consultation, revert to the pre 2019/20 deadline of 31st May. The deadline for the publication of the audited accounts will, subject to consultation, revert to 30th September for six years, in line with the next external audit contract period under the procurement arrangements being managed by Public Sector Audit Appointment (PSAA)

3. Annual Governance Statement (AGS)

The proposed AGS, included In Appendix B, and upon publication will be incorporated into the Statement of Accounts for 2021/22. The AGS explains how the Council follows a code of Corporate Governance, which is consistent with the principles of CIPFA/SOLACE 'Delivering Good Governance in Local Government – Framework (2016)'. The AGS will be subject to external audit alongside the statement of accounts.

4. Headline figures

The headline figures from the unaudited accounts are as follows:

- a) General Fund Outturn is a balanced position

- b) HRA outturn surplus of £0.447m

c) Long-term assets of £544m

d) Nets assets of £287m

Reasons for Recommendation

The approval of the unaudited Accounts contributes to effective financial management and governance and meets statutory requirements.

Consultation

No consultation required.

References to Corporate Strategy

The Accounts narrative, the statement of Comprehensive Income and Expenditure and the Annual Governance Statement all refer to the recourse and governance arrangements required in the delivery of the Council's Corporate Strategy.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

The financial implications are set out within the report and the Appendices accompanying the reports.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer

Tel & Email: 01277 312500/amanda.julian@brentwood.gov.uk

All relevant legal considerations have been taken fully into account. The accounts need to be signed by the Section 151 Officer by 31st July 2022 in line with requirements of the Accounts and Audit (Amendment) Regulations 2021 and the 2015 Accounts and Audit Regulations. They will be published on the Council's website and will be subject to public inspection under section 26 of the Local Audit and Accountability Act 2014 the subsequently reviewed by the external auditors.

The production of the Annual Governance Statement is a statutory requirement of the Accounts and Audit (England) Regulations 2015. It is published with the Council's financial statements and will be reviewed by the external auditors.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning and Economy)
Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

There are no direct economic implications arising from this report.

Background Papers

Statement of Accounts working papers 2021/22.

Appendices to this report

Appendix A: Unaudited Statement of Accounts 2021/22

Appendix B: Annual Governance Statement 2021/22