

Meeting: Audit Committee

Date: 24th July 2024

Wards affected: All Wards in Torbay

Report Title: 2021/22 Statement of Accounts and Annual Governance Statement

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1. Purpose of Report

1.1 The purpose of the report is to present the 2021/22 audited Statement of Accounts.

2. Reason for Proposal and its benefits

2.1 The Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (amendment) Regulations 2022 states that draft 2021/22 Statement of Accounts are issued by 31 July 2022 and the Audit Committee are required to approve the audited accounts by 30 November 2022.

2.2 The draft statement of accounts were published in September 2022 and the audit of accounts commenced in January 2023, with it being anticipated that the audit would be completed by March 2023. There have been a number of factors that have delayed the conclusion of the audit, the factors are detailed in paragraph 1.3.

3. Recommendation(s) / Proposed Decision

The Audit Committee are asked to:

i) Approve the 2021/22 Statement of Accounts and the Annual Governance Statement

- ii) If required, delegate to the Director of Finance, in consultation with the Chair of Audit Committee, the authorisation to make any minor amendments to the accounts as required as part of the finalisation of the external audit.
- iii) Delegate approval for the signing of a letter of representation, alongside point ii.

Appendices

Appendix 1: 2021/22 Statement of Accounts

Appendix 2: Letter of Representation

Supporting Information

1. Statement of Accounts

- 1.1 The Accounts and Audit Regulations issued by the Secretary of State set out the requirements for the preparation and publication of final accounts. These regulations include the requirement for the formal approval, by a full Committee, of the Authority's Statement of Accounts.
- 1.2 The Statement of Accounts have been prepared in accordance with the current Code of Practice on Local Authority Accounting in Great Britain. The Statement is required to present a true and fair view of the financial position as at 31 March 2022 and the income and expenditure for the financial year 2021/22.
- 1.3 The Authority's external auditors, Grant Thornton, commenced the audit of the Statement of Accounts in January 2023. The audit has experienced delays partly due to a number of the officers who prepared the statements and the associated working papers no longer working for the council. This resulted in a loss of knowledge in respect of the preparation and content of the 2021/22 Statement of Accounts and the current team having to pick up the queries and work with the external auditors to complete the audit. This has been a challenge for the team as they were not involved with preparation of the statement of accounts and the working papers.
- 1.4 The audit has been substantially completed and currently there are no matters that would require modification to the currently anticipated 'unmodified audit opinion'. There are minor elements of the audit that remain outstanding.
- 1.5 The Audit Findings Report, based on work completed to date has been presented to the committee in the previous agenda item. The report highlights significant matters experienced by the auditors whilst undertaking their work which caused a delay in the audit. There are a series of audit findings, as set out in the report.
- 1.8 Grant Thornton are only able to formally conclude the audit and issue their final Audit Report and Audit Certificate once they have received a copy of the Statement of Accounts as approved by this Committee and all elements of their work are concluded.

2. Letter of Representation

- 2.1 The International Standard on Auditing 580 requires auditors to obtain written representations from management and, where appropriate those charged with governance in an audit of the financial statements. This statement as a formal Management Representation letter to Grant Thornton, will be written when the audit is complete.
- 2.2 The Committee are requested to delegate approval for this representation. Once approved the letter will be passed to our auditors.