

Report to: Audit and Governance Committee



Date of Meeting 16 March 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Statement of Accounts 2020/21 including Annual Governance Statement

Report summary:

The Council's Statement of Accounts for 2020/21 has now been audited and is available to the Audit & Governance Committee for approval.

A report is contained on the Agenda from the Council's external auditors Grant Thornton detailing the work carried out and audit conclusion.

Members are asked to note the letter of representation to Grant Thornton in respect of the financial statements for the year ended 31 March 2021.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

To adopt the 2020/21 Statement of Accounts and delegated authority is given to the Chair of Audit & Governance and the Strategic Lead Finance to sign when all matters concluded.

That the letter of representation be approved and signed by the Chair of Audit & Governance and the Strategic Lead Finance.

Reason for recommendation:

There is a legal requirement for the Council to approve the Council's Statement of Accounts, the Council has delegated this function to the Audit & Governance Committee.

Officer: John Symes, Finance Manager, jsymes@eastdevon.gov.uk, 01395 517413

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information n/a

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
 - A greener East Devon
 - A resilient economy
-

Report in full

1. Approval of 2020/21 Statement of Accounts

- 1.1 The Accounts, which include the Annual Governance Statement, is available online for members' consideration and approval here: [EDDC Statement of Accounts 2020/21](#).
- 1.2 The audit is now complete subject to those points raised in Grant Thornton's audit findings report that is contained on the agenda for members' consideration.
- 1.3 The unaudited Statement of Accounts 2020/21 were signed off by the Council's S151 Officer and also published on 1 November 2021.
- 1.4 The main highlights of the Financial Statements are included in the Narrative Report by the Strategic Lead Finance starting on page 2 of the accounts.
- 1.5 The narrative report covers the main general fund outturn variances against budget, a position statement of the main reserve held, a summary position with regard to the Housing Revenue Account and also the Capital Programme outturn.
- 1.6 Similarly, the year-end financial outturn position for 2020/21 was reported to Cabinet on the 14 July 2021 ([Link to Outturn report to Cabinet](#)). This position has not changed through the preparation and audit of the accounts.

1.7 Changes to the Accounts

- 1.8 As will be reported within this agenda by external audit there have been some minor changes to the draft accounts as published in November 2021. 5 recommendations have been made of low or limited effect on the statements which management will review to action going forward. Some minor corrections to narrative, grammar and improving the explanation within the Accounts have also been made.
- 1.9 Further changes include adjusted misstatements in the following areas:
- 1.10 There is a change to the treatment of the upfront Pension Payment for the secondary contribution (deficit recovery payment). In the draft accounts, this was treated as a prepayment as the payment covered the 3 years of this pension tri-annual valuation. However, in consultation with Grant Thornton, this has been changed to correctly result in a variation between the pension liability on the balance sheet and the associated pension reserve.

- 1.11 A change has been made regarding the presentation of the payment and income of Covid-19 grants where the council is considered to have acted “as agency”. These had been shown on a gross basis whereas they now show a nil effect within the accounts.
- 1.12 A change of classification to some short term investments has required a change to presentation, this has had a nil impact.
- 1.13 These alterations have no impact on the reported Outturn position or the Councils Usable Reserves.
- 1.14 Members are asked to approve the 2020/21 Statement of Accounts which reflect a true and fair view of the financial position of the Council as at 31 March 2021. The Committee is also required to formally approve and sign the letter of representation in Appendix 2.

Financial implications:

There are no direct financial implications arising from this report.

Legal implications:

The legal requirements for a statement of accounts is set out within the report otherwise there is nothing which requires comment.