

Annual Accounts 2021/22

REPORT TO AUDIT AND STANDARDS COMMITTEE



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| DATE | 16 November 2022 |
| PORTFOLIO | Resources & Performance Management |
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PURPOSE

1. To present the Council's audited Statement of Accounts for 2021/22, to obtain the formal approval of the Committee to the audited accounts, and to ask that they be signed by the chair of the Committee.
2. To ask the Audit and Standards Committee to approve the Letter of Representation from the Head of Finance & Property to Grant Thornton (the external auditors) and to ask that it be signed by the chair of the Committee.
3. To inform the Audit and Standards Committee of the audit findings.
4. To ask the Audit and Standards Committee to approve the signed 2021/22 Annual Governance Statement.

RECOMMENDATION

5. Members are asked to:
 - a) Approve and sign the Statement of Accounts
 - b) Approve and sign the Letter of Representation
 - c) Note the audit findings
 - d) Approve the Annual Governance Statement signed as at November 2022.

REASONS FOR RECOMMENDATION

6. The deadline for publication of the draft Statement of Accounts was 31 July 2021 with the audited Statement of Accounts to be published by 30 November 2022. The draft Statement of Accounts was published within accordance with the required deadline. Approval of the audited Statement of Accounts will ensure publication in accordance with the required deadline of 30th November 2022.

SUMMARY OF KEY POINTS

7. The 2021/22 Statement of Accounts have been produced under the Code of Practice on Local Authority Accounting in the UK to 2021/22 standards.
8. The deadline for publication of the draft Statement of Accounts was 31st July and the audited Statement of Accounts 30th November.
9. The Council was able to comply with its statutory duty to publish an unaudited Statement of Accounts by the 31 July 2022.
10. The external audit of the Statement of Accounts has now been concluded by Grant Thornton and I am pleased to report that the Council's auditors are satisfied that the accounts present a true and fair view of the Council's financial position. The audited Statement of Accounts is attached for information and final approval as Appendix 1.
11. There have been three recommendations for the Council, which are detailed below along with our proposed actions to mitigate the recommendation:
 - The Council should ensure its heritage assets are revalued at sufficient intervals, no longer than 10 years, for future financial periods in line with good practice.
Management Response: The large elements of the heritage assets valuation have been completed and will be complete this financial year. This will be included in the 2022/23 Statement of Accounts.
 - We repeat our recommendation from 2020/21 that management complete their own detailed assessment to confirm the value of assets not covered within the revaluation programme are fairly stated.
 - *Management Response: The Council values its investment and surplus properties on an annual basis. For the remainder of its land and buildings it has a 5-year rolling programme of asset valuation. This complies with CiPFA's Code of Practice. Where assets are included within the 5-year rolling programme, the Council's valuer undertakes a desktop exercise to review each asset that is not included within that year's valuation. If any issues are found, then the valuer undertakes a full valuation of that asset. Similarly, if any issues are identified in assets that have been valued that year, other assets in that class of asset will be valued. The Council's valuer will investigate the benefit of and consider the use of indices as part of the desktop exercise in future years.*
 - We recommend the Council make an assessment for the 2022/23 financial statements of the value of unlodged appeals following the 2023 valuation. The NDR provision should include an appropriate value for these claims.
Management Response: The Council is intending to make an assessment of unlodged appeals following the impact of 2023 valuation. This had been done for the 2010 and 2017 valuations as the level of appeals is unknown. The government assume a national percentage for future appeals in its business rate distribution methodology which the Council usually follows.
12. The wording of the external auditor's opinion on the Statement of Accounts is contained within the auditor's Audit Findings Report (Appendix 3). Once the opinion and conclusion have been formally disclosed to the Committee they will form part of the published Statement of Accounts on the Council's website. The chair of the Audit and Standards Committee is required to sign the Statement of Accounts prior to the publication.

13. A separate VFM review is also carried out by Grant Thornton. It is anticipated that this review will be concluded by February 2023 and the findings reported to committee at a meeting to be confirmed.
14. Part of the process of obtaining a favourable opinion from the external auditor is that representations are required to be made by the Chief Financial Officer about a range of issues upon which confidence is placed during the course of the audit. These representations are contained in the Letter of Representation which is attached as Appendix 2. The Head of Finance and Property, as the Council's statutory Chief Finance Officer (Section 151 Officer), will sign this letter at your meeting after discussion with the Audit and Standards Committee. In accordance with external audit requirements the Chair is also asked to sign the letter of representation.
15. The production of an Annual Governance Statement is a statutory requirement of the Council, and is to be produced in accordance with proper practice, using guidance from CIPFA, (Chartered Institute of Public Finance and Accountancy) and SOLACE (Society of Local Authority Chief Executives). The 2021/22 Annual Governance Statement was originally reported to and approved by Committee in September 2022. A copy of the AGS is included in Appendix 4 for information. A copy signed as at November 2022 will be circulated to Members at their meeting.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

16. Audited Statement of Accounts as Appendix 1

POLICY IMPLICATIONS

17. None

DETAILS OF CONSULTATION

18. None

BACKGROUND PAPERS

19. None

FURTHER INFORMATION

PLEASE CONTACT:

Howard Hamilton-Smith – Head of Finance and Property

ALSO:

Amy Johnson – Finance Manager

