



Purpose: For Decision

# Committee report

Committee	<b>AUDIT COMMITTEE</b>
Date	<b>20 MARCH 2023</b>
Title	<b>APPROVAL OF THE FINAL STATEMENT OF ACCOUNTS 2021-22</b>
Report of	<b>DIRECTOR OF FINANCE AND SECTION 151 OFFICER</b>

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## EXECUTIVE SUMMARY

1. This report seeks approval for the council's Statement of Accounts for 2021-22 following completion of the external audit process, and having given due consideration to the content of the external auditor's Audit Results Report which is also on the agenda for this meeting of the committee.
2. The Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021 require approval of the Statement of Accounts by councillors no later than 30 September 2022 or as soon as reasonably practical after receipt of the auditor's report containing the final findings from the audit. Following approval, the accounts must be signed and dated by the person presiding at the meeting and published on the council's website, together with the report and opinion issued by the auditor.

## RECOMMENDATION

3. Option 1 – That the 2021-22 Statement of Accounts be approved, and the person presiding be authorised to sign and date the Statement of Accounts.
4. That the Chair of the Audit Committee and Director of Finance and Section 151 Officer be given delegated authority to make any final changes necessary as a result of the final conclusion of the audit process.

## BACKGROUND

5. Under the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021, the director of finance and section 151 officer is required to sign and date the Statement of Accounts, and confirm that he was satisfied that the accounts presented a true and fair view of the financial position of the authority as at 31 March 2022 and of the authority's income and expenditure for 2021-22, by 31 July 2022.

6. The Director of Finance and Section 151 Officer signed the draft Statement of Accounts on 29 July 2022 to confirm that he was satisfied that the accounts presented a true and fair view of the financial position of the authority at 31 March 2022 and of the authority's income and expenditure for 2021-22. These draft accounts were then made available to the council's external auditors.
7. After considering comments from the auditors, and making amendments that he felt to be appropriate, the director of finance and section 151 officer has re-confirmed that he is satisfied that the Statement of Accounts presents a true and fair view of the financial position of the authority at 31 March 2022 and of the authority's income and expenditure for 2021-22.
8. The Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021 now require councillors to:
  - a) consider the Statement of Accounts;
  - b) approve the Statement of Accounts by a resolution;
  - c) ensure that the Statement of Accounts is signed and dated by the person presiding at the committee at which approval is given.
9. The Isle of Wight Council discharges these responsibilities through the Audit Committee.
10. In considering the Statement of Accounts the committee should take into account any comments made by the auditor.
11. Under the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021, the council must publish the accounts together with any certificate or opinion entered by the auditor by 30 September 2022.
12. As the audit of accounts had not been concluded before 30 September a notice was published on the council's website stating that it has not been able to publish the statement of accounts and the reasons, as required by the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021

## CORPORATE PRIORITIES AND STRATEGIC CONTEXT

13. This approval of the council's Statement of Accounts and the overall stewardship of public funds form an integral part of the council's corporate governance framework and makes a positive contribution towards the council's Corporate Plan 2021-2025 as it relates directly to the achievement of the key activity 'Keep the council solvent and take all the measures we can to improve its financial position' and supports the corporate outcome of 'Understands the work of the council and the challenges it faces.'

## CONSULTATION

14. The Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021 require the council's accounts and accounting records to be available for inspection by members of the public for a period of 30 working days. For 2021-22, the accounts and supporting records were available for inspection from 1 August to 9 September 2022. The regulations also require local

government electors to be notified that the Statement of Accounts is available for inspection as soon as the audit has been completed.

#### FINANCIAL / BUDGET IMPLICATIONS

15. There are no direct financial implications associated with this report.
16. The format of the financial information contained in the Statement of Accounts is required to comply with external reporting requirements, codes of practice and the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021.

#### LEGAL IMPLICATIONS

17. The director of finance and section 151 officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021 to ensure that the council's budgeting, financial management and accounting practices meet the relevant statutory and professional requirements.
18. If the Statement of Accounts is not approved by the committee by 30 September 2022, the council is required to publish on its website a notice stating that it has not been able to publish the statement of accounts and the reasons for this, as required by the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021. Failure to approve and publish the accounts as set out in the regulations would represent a potential risk to the reputation of the council.

#### EQUALITY AND DIVERSITY

19. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

#### OPTIONS

20. The Audit Committee now has two options:
  - a) Option 1 - That the 2021-22 Statement of Accounts be approved, and the person presiding be authorised to sign and date the Statement of Accounts.
  - b) Option 2 - To identify areas of concern and not approve the 2021-22 Statement of Accounts.

#### RISK MANAGEMENT

21. To comply with the requirements of the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021, the council must publish the approved Statement of Accounts by 30 September or as soon as

reasonably practical after receipt of the auditor's report containing the final findings from the audit, together with any certificate or opinion issued by the auditor. The council has delegated the authority to approve the Statement of Accounts to the Audit Committee. The approval decision should be made after taking into account any comments made by the auditor.

## EVALUATION

22. To comply with the requirements of the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021, the council must publish the approved Statement of Accounts by 30 September or as soon as reasonably practical after receipt of the auditor's report containing the final findings from the audit, together with any certificate or opinion issued by the auditor. The council has delegated the authority to approve the Statement of Accounts to the Audit Committee. The approval decision should be made after taking into account any comments made by the auditor.

## APPENDICES ATTACHED

23. Appendix 1 – Final Statement of Accounts 2021-22
24. Appendix 2 – Narrative report to the Isle of Wight Council Statement of Accounts

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