

By: Director, Finance and Corporate Services
To: Audit and Governance Committee - 28 November 2022
Subject: Update on Statement of Accounts and Letter of Representation for 2021/2
Classification: Unrestricted

FOR DECISION

SUMMARY

Members may recall that the draft set of Financial Statements for 2021/22 were presented to the Audit and Governance meeting on the 22 September 2022. At that stage the External Auditors had not yet started the review of the 2021/22 accounts as the start of this was delayed until October.

This report provides an update on the Financial Statements for 2021/22, given the audit work that has been undertaken to date, alongside presenting the Letter of Representation for Members approval.

RECOMMENDATIONS

Members are requested to:

1. Agree that any minor changes to the draft Financial Statements can be agreed by the Director, Finance and Corporate Services, in consultation with the Chair (paragraph 3 refers);
2. Agree that if any material issues arise in the Financial Statements that requires a major change to the draft Financial Statements, then an urgent meeting of this committee will be arranged (paragraph 3 refers);
3. Agree the draft Letter of Representation in relation to the 2021/22 accounts (paragraph 4 and **Appendix 1** refers).

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BACKGROUND PAPERS: None

COMMENTS

Background

1. **Financial Statements** - The Draft Financial Statements were signed by the Chair of Audit and Governance following agreement at the September Committee meeting. The Auditors began their review of the accounts in early October, and the report that follows (B2), presents their Findings to date.
2. However, to date there has only been one minor change that has been necessary to the draft Financial Statements since they were signed by the Chair of this committee. The change is in relation to creditors and is set out below for Members information:

Note 13 - An amount of £507k for long term Collection Fund creditors was included in the line ' Other Local Authorities' but should have been included in the line headed ' Collection Fund Creditor'.

3. If however, at the conclusion of the Auditor's review, they highlight a material issue, which necessitates a major change to the accounts, then there may be a need to establish an urgent meeting of this committee, in order that the revised and amended version of the accounts can be accepted and agreed by this committee. If, however, any changes arise that are deemed minor in nature, as agreed by the auditors, then Members are asked to agree that the Director, Finance and Corporate Services can make the changes, in consultation with the Chair of Audit and Governance.
4. **Letter or Representation** - Formal signing of the Accounts and the issuing of the opinion by the External Auditors will take place once the Accounts have been approved by Members and the Letter of Representation (a draft copy of which is attached at **Appendix 1** for Members' approval) has been issued to the Auditors by the Director, Finance and Corporate Services. This Letter of Representation is a formal statement sent to the External Auditors, the intention of which is to provide assurances as to the robustness of the Authority's approach to the preparation and audit of its Accounts. Any changes that may be required to this draft copy arising as a result of the audit, for example, paragraphs x / xi, will be made in consultation with Chair of the Audit and Governance Committee.

IMPACT ASSESSMENT

5. There are no financial implications arising from this report that cannot be contained within the overall budget.

RECOMMENDATIONS

6. Members are requested to:
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 - 6.2 Agree that if any material issues arise in the Financial Statements that requires a major change to the draft Financial Statements, then an urgent meeting of this committee will be arranged (paragraph 3 refers);
 - 6.3 Agree the draft Letter of Representation in relation to the 2021/22 accounts (paragraph 4 and **Appendix 1** refers).