

ANNUAL STATEMENT OF ACCOUNTS 2021/22

SUMMARY:

The purpose of this report is to inform Members of the proposed timetable for the audit of the 2020/21 and 2021/22 Financial Statements.

RECOMMENDATIONS:

It is recommended that the committee

- i) Note the indicative timetable for approval of the 2020/21 and 2021/22 Statement of Accounts and receiving the Audit opinion.

1 BACKGROUND

- 1.1 This report provides members with the outline timetable for the external audit of the 2020/21 and 2021/22 Statement of Accounts and provision of the Audit Opinion.

2 INTRODUCTION

- 2.1 The Government have recognised the challenges around the timeliness of local audit and the downward trend nationally in the number of external audit opinions delivered on time. On 16 December 2021, the Government published further information and guidance for public audit stakeholders "Measures to improve local audit delays".
- 2.2 The Council is required under regulation to obtain an independent external audit opinion on the true and fair nature of the statement of accounts. Following provision of the external audit opinion the relevant Council Committee (being Licencing, Audit and General Purposes Committee) is required to approve the accounts and publish both the approved set of accounts and the audit opinion by 30 September 2022.

3 2020/21 AND 2021/22 STATEMENT OF ACCOUNTS AND AUDIT TIMINGS

- 3.1 Deadlines for the completion and publication of the 2020/21 and 2021/22 accounts were amended as part of the Government's response to the recommendations contained in the independent Redmond Review into the effectiveness of external audit and transparency of financial reporting in local authorities. The Redmond review reported on 08 September 2020.

- 3.2 The regulations amend the draft and final accounts publication deadlines for relevant bodies from 1 June and 31 July to 1 August and 30 September for the next 2 accounting years – i.e., 2020/21 and 2021/22 and the position will be reviewed at that time. The regulations come into force on 31 March 2021.

Action	Deadline as set out in Accounts and Audit Regulations 2015	Revised Deadline as set out in Accounts and Audit (Amendment) Regulations 2021
Draft Accounts completion	31 May	01 August
Public Inspection period	First 10 working days of June of the financial year immediately following the end of the financial year to which the statement relates	First 10 working days of September of the financial year immediately following the end of the financial year to which the statement relates
Publication of Accounts	31 July	30 September

- 3.3 The Council has amended its 2021/22 accounts closure process to meet the revised Accounts and Audit Regulation 2021 timetable. The Council will publish a draft Statement of Accounts for 2021/22 by the deadline indicated above and these will be available on the Council's website:

<https://www.rushmoor.gov.uk/your-council/council-budgets-and-spending/financial-statements-and-strategies/>

- 3.4 Initial discussion has taken place with the Council's external auditors (EY) around the timing of the external audit of the Council's Financial Statements for 2020/21 and 2021/22 with a view to ensuring these can be completed by the end of the current financial year.

- 3.5 Subject to final confirmation, the audit of the 2020/21 Financial Statements would commence in September 2022 and conclude no later than late November/early December 2022.

- 3.6 The audit of the 2021/22 Financial Statements would then commence in January 2023 and complete no later than March 2023.

- 3.7 Initial walkthrough tests and confirmation for both audit years would take place over August and September 2022 allowing for key staff availability.

4 CONCLUSION

- 4.1 Following conclusion of the 2019/20 audit, there is a commitment from both EY and RBC to complete the audit of the 2020/21 and 2021/22 Financial Statements by the end of the current financial year.

- 4.2 There will remain some risk and uncertainty around the timing of when the Council will receive the audited financial statements and EY's Audit Opinion given the issues reported to the committee on the audit issues for the 2018/19

and 2019/20 Financial Statements. Members will be kept updated on progress through the civic year.

- 4.3 It is worth reassuring members that the additional time taken is not due to errors, omissions or matters concerning the quality of the final accounts.

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