

AUDIT AND GOVERNANCE COMMITTEE

30 NOVEMBER 2022

UPDATE ON ANNUAL STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Recommendation

- 1. The Chief Finance Officer recommends that:**
 - a) The latest draft of the Final Accounts Pack, including the Statement of Accounts for the financial year ended 31 March 2022, be noted;**
 - b) The listed amendments from the Draft Accounts Pack published in July 2022 be noted;**
 - c) The Chairman, in consultation with the Vice-Chairman of the Committee be authorised to approve the Final Accounts Pack, including the Statement of Accounts for the financial year ended 31 March 2022, at a later date subject to receipt of the Audit Opinion;**
 - d) If c) above cannot be followed through and instead a special meeting of the Committee be convened to sign off the Statement of Accounts; and**
 - e) The Chief Financial Officer be authorised to sign the Letters of Representation on behalf of the County Council.**

Background

- 2. The Council and Pension Fund are required to prepare annual Statement of Accounts and to arrange for them to be audited and reported in accordance with the Accounts and Audit Regulations 2015, and the 2021/22 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Statement of Accounts presents the overall financial position of the Council and the Pension Fund, reflecting the Council's outturn position and the Pension Fund net asset position.**
- 3. The external audit is being carried out by the Council's External Auditor, Grant Thornton UK LLP, who have provided Audit Findings Reports to Committee elsewhere on this agenda.**

Amendments made to unaudited draft accounts

4. The external audit has resulted in a number of changes to the version of the statutory financial statements that was approved by this Committee in July 2022. These comprise:

- Removal of information from the Technical Annex for Financial Instruments and Pension Schemes, and incorporation of this information into the notes (Notes 16 and 34) to the main statements
- The formatting of the Dedicated Schools Grant Note 6.3 has been altered following feedback from the DfE. No changes to figures.
- More detail added on disclosure to Credit Risk practices Note 16.5
- Related Parties note – updated to include specific reference to Tickenhell Trust Note 26.10
- Updated figures and wording on Note 28 – External Audit Fees
- Changes to titles of notes on Page 42 to ensure they exactly match the titles of the notes themselves
- Correction of classification of Grants received in advance. This impacts the Balance Sheet, the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Cash flow Statement, as well as Notes 3, 5, 12, 12.1, 16.2, 20, 23.1, and 32. It also impacts on Group Statements.
- Table added to PPA note to show the main statements before and after the PPA adjustment (detailed impact on all notes is not needed) – Note 32.
- Amendment to note 15.4 – payments due under PFI contracts
- Adjustment to Note 28 prior year adjustment to include further detail in order to meet Code requirements.
- Some other small changes to presentation or wording throughout

5. The audit is ongoing, however it is not expected that there are any further material changes from the statements presented today to the final audited accounts.

6. Draft Accounts were presented to the Committee in July 2022. Due to the expected December date of the Statutory override for infrastructure assets valuation, and the resulting changes to the CIPFA code, it is anticipated that the final sign off and publication of Audited Accounts will not take place until early January 2023 – beyond the statutory deadline of 30 November. This will apply to all upper tier authorities.

Area	Council Plan	Statutory Deadline
Publication of Draft Accounts	4 July 2022	31 July 2022
Public Inspection Period	4 July to 12 August 2022	Commence on or before 1 August 2021
Publication of Audited Accounts	23 September 2022	30 November 2022

7. As a result this report is seeking authorisation for the Chair (in consultation with Vice-Chair) to approve the Final Accounts Pack, to ensure that publication of the

Audited Accounts is at the earliest possible opportunity.

Contact Points

Specific Contact Points for this report

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Supporting Information

- Appendix 1: Annual Financial Report and Statement of Accounts
- Appendix 2: Draft Letter of Representation

Background Papers

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.