

Joint Audit and Governance Committee



Report of Head of Finance

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Wards affected: all

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To: Joint Audit and Governance Committee

DATE: 29 March 2022

Vale Cabinet member responsible: Andrew

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AGENDA ITEM or
REPORT NO

Statement of accounts 2021/22

Recommendation(s)

- a) To note progress on completing the 2021/22 statement of accounts
- (b) To approve the statements of accounting policies as shown in Appendix 1 (South Oxfordshire DC) and Appendix 2 (Vale of White Horse DC).

Purpose of Report

1. To update councillors on progress being made towards the completion of the 2021/22 statement of accounts, and to present revised statements of accounting policies for approval.

Strategic Objectives

2. Managing the finances of the authorities effectively will help to ensure that resources are available to deliver their services and meet the councils' strategic objectives.

Background

3. The statement of accounts for both councils for 2021/22 are required to be completed and signed off for audit by the head of finance by 31 July and audited accounts are to be approved by this committee for publication by 30 November. This report brings to the attention of the committee some of the key issues for this year's closedown.
4. The statutory deadlines for approving draft accounts, and completion of the external audit introduced for the 2017/18 Year End close proved to be extremely challenging for both councils and audit firms. Nationally for the 2020/21 Year End only nine per cent of councils met the 30 September 2021 deadline. For the 2021/22 accounts this deadline has now been extended to 30 November.
5. The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code) changes for 2021/22 are considered minor and there are no accounting policies which require amendment as a result of changes in the Code. The accounting policies applied in the preparation of the 2020/21 Statement of Accounts remain appropriate for the preparation of 2021/22 Statement of Accounts. These are shown in Appendix 1 (South Oxfordshire DC) and Appendix 2 (Vale of White Horse DC).
6. CIPFA issued an exceptional consultation on 3 February 2022 on two time limited changes to the Code to help alleviate delays to the publication of audited financial statements. These were an adaptation to allow local authorities to pause professional valuations for operational property, plant and equipment for a period of up to two years, and a delay in the implementation of the new IFRS 16 standard for Leases to the 2023/24 Code.
7. Both councils responded to the consultation, and the response to the consultation (which was the same for both councils) is attached at Appendix 3. Until the outcome of the consultation is known, we will continue to prepare for the accounts on the basis of the 2021/22 Code as it currently stands. Policies will be reviewed and amendments proposed, if necessary.

Preparations for financial year end

8. The strategic finance department has a challenging timetable in place which aims for completion of both councils' financial statements by 30 June 2022, one month ahead of the deadline. This will ensure that the production of financial statements will not overlap with the 2023/24 budget setting process which will start in the early summer of 2021.
9. The strategic finance department is now at full establishment. Training has also been undertaken during the year on complex areas such as collection fund accounting to improve understanding and aid timely completion of the statements.
10. Most information required for the completion of the statements comes from internal sources. Other key information is required from Capita to prepare the collection fund, Oxfordshire County Council for the pension fund valuation data, and from councils' property valuers Lambert Smith Hampton

Climate and Ecological Impact Implications

11. There are no direct implications arising from this report.

Financial Implications

12. There are no direct financial implications arising from this report.

Legal Implications

13. Approval of the amended statement of accounts by the committee fulfils the requirements of the Accounts and Audit (England) Regulations 2015.

Risks

14. None.

Other Implications

15. None

Conclusion

16. The 2021/22 final accounts are being prepared in accordance with the statutory guidelines with a target completion date of 30 June 2022 for the draft and 30 November for the audited accounts.

17. Draft 2021/22 accounting policies are attached and require approval by the committee.