



	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	AUDIT COMMITTEE – 23 NOVEMBER 2021
Report Number	AGENDA ITEM 7
Subject	STATEMENT OF ACCOUNTS 2020/21
Wards affected	N/A
Accountable member	Cllr Mike Evemy, Deputy Leader and Cabinet Member for Finance Email: mike.evemy@cotswold.gov.uk
Accountable officer	Jenny Poole, Chief Finance Officer Email: jenny.poole@cotswold.gov.uk
Summary/Purpose	This report presents the Council's audited Statement of Accounts for the period 1 st April 2020 to 31 March 2021 to enable the Committee to consider and approve the Council's accounts.
Annexes	Annex A - Grant Thornton report – “The Audit Findings for Cotswold District Council” Annex B - Statement of Accounts 2020/21 Annex C - Audit Committee Comments and Responses – Draft Statement of Accounts Annex D - Comparison of 2019/20 to 2020/21 Annual Governance Statement
Recommendation(s)	<ul style="list-style-type: none"> a) That the Grant Thornton Audit Findings for Cotswold District Council be noted. b) The Statement of Accounts 2020/21 be approved. c) To note the officer responses to Audit Committee Comments. d) To note the update to the Annual Governance Statement. e) That the Chief Finance Officer and the Chairman of the Audit Committee be authorised to write a letter of representation on behalf of the Committee and Council to Grant Thornton to enable the opinion to be issued.
Corporate priorities	<p>Priority - Ensure that all services delivered by the council are delivered to the highest standard</p> <p>Principle - Value for money - we will use the council's resources wisely, but will invest in the fabric and future of the district</p>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	None



1. BACKGROUND

- 1.1. The Council's Chief Finance Officer is responsible for ensuring that the statement of accounts is prepared and published in line with statutory timelines and accounting practices.
- 1.2. The accounts are subject to scrutiny and approval by the Council's Audit Committee.
- 1.1. Under section 10 of the Accounts and Audit Regulations 2015, the Council is required to publish draft accounts by the 31 May and publish its annual Statement of Accounts by 31 July each year; due to Covid-19 the deadline to publish the Council's unaudited accounts has now moved from 31st May 2021 to 31st July 2021, with the deadline for publishing audited statement for 2020/21 to 30 September 2021.
- 1.2. The Council submitted its draft financial statements to the External Auditors, Grant Thornton, on the 14 July 2021 which was slightly later than planned but ahead of the statutory deadline of the 31 July 2021. In order to facilitate the audit process, officers made working papers available to the auditors prior to the handover of the statement of accounts.
- 1.3. The Audit Committee reviewed the draft Statement of Accounts at its meeting on the 22nd July 2021.
- 1.4. The public inspection period began on the 2nd August and ran to the 10th September 2021. There were no objections received during this inspection period.
- 1.5. Due to resourcing difficulties on the part of the external auditors, Grant Thornton, the audit of the accounts for the year ended 31 March 2021 did not meet the 30 September publication date and a revised target deadline of the November 23 Audit Committee meeting was agreed.
- 1.6. The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ('the Code'). The Council is statutorily obliged under the Accounts and Audit (Amendment) Regulations 2021 to prepare its Statement of Accounts in accordance with the Code.

2. MAIN POINTS

- 2.1. The audit is now substantially complete.
- 2.2. Attached to this report at Annex A is the Audit Findings Report for Cotswold District Council. The report details all of the work that Grant Thornton has undertaken as part of their formal audit of the accounts. It outlines the key findings and matters arising from the statutory audit process.
- 2.3. The Statement of Accounts attached to this report represents the audited accounts following the completion of the audit and incorporates a number of minor disclosure changes are required following review by Grant Thornton. These changes include changes to notes where expanded explanation has been necessary and other minor presentation adjustments (such as correction of spelling mistakes and rounding) to improve the quality of disclosures within the accounts as detailed in the 'audit adjustments' section of the Grant Thornton report, Annex A (Appendix C). None of these changes affect the 'net worth' or financial position of the Council.
- 2.4. A summary of the points and queries raised by Audit Committee members in respect of the draft Statement of Accounts and Officer's responses can be seen in Annex C.
- 2.5. Grant Thornton has not yet completed work on the Value for Money (VFM) conclusion in respect of the Council's arrangements for the year ended 31 March 2021. This work is still



ongoing and at the time of preparing this report, the auditors have not identified any significant weaknesses in arrangements that require them to make a recommendation, however they will continue to undertake work on the Council's arrangements and update the Audit Committee.

3. THE ANNUAL GOVERNANCE STATEMENT

- 3.1.** Following the July Audit Committee a small number of updates were made to the Annual Governance Statement to reflect comments raised by Audit Committee members, changes are highlighted in yellow in the Annual Governance Statement which forms part of the final version of the Statement of Accounts at Annex B (page 86-99).
- 3.2.** Annex D includes a 'tracked changes' version of the 2020/21 Annual Governance Statement compared to the 2019/20 Statement. Changes are highlighted in purple with changes made following the July Audit Committee highlighted in yellow.

4. THE LETTER OF REPRESENTATION

- 4.1.** To complete the audit process the Council is required to submit a letter of representation to Grant Thornton to complement the financial statements and to outline the areas considered in stating that the financial statements give a 'true and fair view' in accordance with International Financial Reporting Standards and 'the Code' and applicable law.
- 4.2.** A draft copy of the letter is included within Annex F of the Grant Thornton Audit Findings Report for Cotswold District Council (Annex A).
- 4.3.** The Chairman of the Audit Committee and the Chief Finance Officer are asked to sign the Letter of Representation under recommendation (e) to this report. Grant Thornton is not able to issue their opinion on the accounts until the letter of representation has been received.

5. FINANCIAL IMPLICATIONS

There are no direct financial implications of this report.

6. LEGAL IMPLICATIONS

The Council is required to approve its Statement of Accounts in order to comply with the Accounts and Audit (Amendment) Regulations 2021.

7. RISK ASSESSMENT

If the Audit Committee do not approve the audited Statement of Accounts the Council will not comply with the Accounts and Audit (Amendment) Regulations 2021.

8. BACKGROUND PAPERS

None.