

Audit Committee
Thursday 27 October 2022

STATEMENT OF ACCOUNTS 2020/21

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Portfolio: Finance

Ward(s) Affected: All

Purpose of the Report:

This report provides a commentary on the significant changes to the Statement of Accounts since the Draft Statement of Accounts was published, in order to approve and finalise these for publication.

Recommendations:

1. To note the adjustments to the Statement of Accounts 2020/21.
2. Delegate to the Chair of the Audit Committee to sign the letter of representation alongside the Assistant Director of Finance.

1 Background

- 1.1 The Council's Draft Statement of Accounts were formally approved by the Assistant Director of Finance on 30th July 2021 (in line with the statutory deadline) and were published on the Council's website.
- 1.2 The Accounts were available for public inspection from 2 August 2021 to 13 September 2021 inclusive. One request to inspect the Accounts was received from a journalist interested in Covid Business Grants and rent deferrals.

- 1.3 The Council fulfilled its statutory requirements to publish its Statement of Accounts by 30th September 2021. However, these were not the final audited version and a statement to explain this accompanied these on the website.

2 Current position

- 2.1 The external audit of the 20/21 accounts by EY was completed on 16th September 2022.
- 2.2 Delays have been experienced due to Covid impacts and resourcing levels.
- 2.3 Audit identified 3 areas where changes were required to the accounts, which are summarised in the table below.

Comprehensive Income and Expenditure Statement	£000
Reduction in pensions liability to reflect actual return on investment assets (following revised report from actuaries) Note 1	675
Net increase in property valuations	112
Correction of Business Rates Income (transferred from Council Tax income) £124,000 on the face of the Comprehensive Income and Expenditure Statement with no bottom line impact (presentational only)	0
Total (positive impact on Total Comprehensive Income and Expenditure)	787

Note 1: The final Norfolk Pension accounts 2020/21, were not audited and finalised at the time of draft accounts publication. Therefore, an adjustment is required to reflect the impact of the latest Pension Fund liability calculation carried out by the actuary

- 2.4 The Balance Sheet net assets also increased by £787k as a result of the audit adjustments above, with the Pensions Reserve increasing by £675k and the Revaluation Reserve increasing by £112k from the draft accounts.
- 2.5 A small number of minor adjustments were also made to disclosures in the accounts.
- 2.6 In addition, the auditors suggested the inclusion of a bad debt provision for sundry debtors. Officers have agreed that this will be considered for future years. However, the data is not available to calculate this with any accuracy for the year ended 31 March 2021 and, the Statements have therefore not been adjusted.
- 2.7 The auditors are proposing to give an unqualified audit opinion and value for money conclusion, which is detailed further in the Audit Results Report elsewhere on this agenda.

3 Recommendation

- 3.1 To note the adjustments to the Statement of Accounts 2020/21.
- 3.2 Delegate to the Chair of the Audit Committee to sign the letter of representation alongside the Assistant Director of Finance.

Background papers

None