



**Report for: GOVERNANCE, AUDIT,
RISK MANAGEMENT AND
STANDARDS
COMMITTEE**

Date of Meeting: 29 November 2023

Subject: 2021/22 Statement of Accounts

Responsible Officer: Sharon Daniels, Interim Director of Finance and Assurance

Exempt: No

Wards affected: All

Enclosures: Appendix 1: 2021/22 Statement of Accounts
Appendix 2: Pension Fund Annual Report 2021-22
Appendix 3A: LBH Completion Update 2021/22
Appendix 3B: Previous LBH Audit Completion Report (May 2023)
Appendix 3C: LBH Draft Audit Opinion
Appendix 4A: Pension Fund Completion Update 2021/22
Appendix 4B: Previous Pension Fund Audit Completion Report (June 2023)
Appendix 4C: Pension Fund Draft Audit Opinion
Appendix 5: Auditor's Annual Report 2020/21 & 2021/22 (DRAFT)

Section 1 – Summary and Recommendations

This report presents the audited Statement of Accounts for 2021-22 subject to the issue of the audit opinion.

Recommendations:

The GARMS committee is requested to :

1. Consider the Audit Completion Updates of the External Auditor on matters arising from the audit of the Statement of Accounts 2021- 22 and the Pension Fund Annual Report 2021-22;
2. Approve the audited Statement of Accounts 2021-22 and authorise the signing thereof by the Chair.
3. Note the Pension Fund Annual Report 2021-22;
4. Authorise the Director of Finance and Assurance, following consultation with the Chair, to make any final minor amendments to the Statement of Accounts 2021-22 and Pension Fund Annual Report 2021-22 arising from the external audit prior to the signing by the auditor;

Reason:

Under the Accounts and Audit Regulations 2015 the Statement of Accounts must be approved by a committee of Members. Once approval has been given, the Chair of the Committee is required to sign and date the Statement of Accounts.

Section 2 – Report

2021/22 Statement of Accounts (Appendix 1)

1. The Accounts and Audit (England) Regulations 2015, require Local Authorities to prepare Statement of Accounts in accordance with proper practices. Previous timetable deadlines have meant that the draft Statement of Accounts must be published by 31st May with the audited version being published by 31st July each year. Following the Coronavirus pandemic the legislative requirements have been relaxed and this has continued for 2021-22. The Accounts and Audit (Amendment) Regulations 2021 (SI 2021/263) revised the deadlines to 31st July 2022 for the draft accounts and 30th November 2022 for the audited accounts.
2. Whilst the draft accounts were published by the 31st of July 2022, the deadline for the audited accounts (30th of November 2022) was not met as the auditors experienced delays in finalising the audit work on the valuation of property, plant and equipment and investment property and there was a national issue in relation to accounting for infrastructure assets which impacted every local authority with material infrastructure balances.

3. Due to the initially protracted nature of the 2021/22 audit arising from the impact of the implementation of the new ledger, issues with PPE and IP valuations and the national infrastructure issue, a new national issue arose that delayed the concluding of the audit. The issue relates to the Council's reporting of its assets and liabilities associated to its membership of the Harrow Pension Fund.
4. All audit work in the above-mentioned areas have now been completed and the 2021/22 Statement of Accounts has been updated with all the agreed adjustments.
5. There has been one further change since the September 2023 GARMS meeting. Community Assets balance was reinstated to the historic costs from a nominal value (£7m). There has been no change to the outturn position.

Pension Fund Annual Report 2021/22 (Appendix 2)

6. The Pension Fund Committee considered the draft Pension Fund Annual Report on 12 October 2022 and will be asked to consider the Pension Fund external Audit Completion Report and approve the Pension Fund Annual Report at their next meeting.

Audit completion Updates (Appendices 3A & 4A)

7. The Audit Completion Updates (**Appendices 3A & 4A**) accompany the Statement of Accounts and contain a summary of audit conclusions and significant findings from the external auditors, updating the committee on the conclusion of open matters for both the Council and Pension Fund accounts.
8. The Audit Completion Updates refer to the Audit Completion Reports for both the Council (**Appendix 3B**) and Pension Fund accounts (**Appendix 4B**) that were issued in May 2023 and June 2023 respectively. These have also been attached for reference.
9. The external auditor's draft audit opinion for LBH (**Appendix 3C**) states that the financial statements :-
 - give a true and fair view of the financial position of the Council as at 31st March 2022 and of the Council's expenditure and income for the year then ended; and
 - have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code.

The work on value for money remains open.

10. The external auditor's draft audit opinion for LBH Pension Fund (**Appendix 4C**) states that the financial statements
 - give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2022, and the amount and

disposition of the Pension Fund's assets and liabilities as at 31 March 2022; and

- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code Update

Draft Auditor's Annual Report 2020/21 & 2021/22 (Appendix 5)

11. The Interim Auditor's Annual Report (AAR) summarises the work undertaken by the auditors for the years ending 31 March 2021 and 31 March 2022. It contains a commentary on the audit opinion on the financial statements, findings and recommendations and summary of the VFM work. The report will be issued in final after clearance of some queries around VFM and agreement of the fees schedule in Section 4 of the report.

Legal Implications

The requirements of the Accounts and Audit Regulations 2015 are set out in the body of the report.

Financial Implications

There are no direct financial implications arising from this report.

Risk Management Implications

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **No**

The relevant risks contained in the register are attached/summarised below. **n/a**

Equalities implications / Public Sector Equality Duty

Considering the Council's Public Sector Equality Duties under the Equality Act 2010, s.149, is integral to the decision- making process.

Was an Equality Impact Assessment carried out? **No**

There are no direct equalities implications.

Council Priorities

The external audit provides assurance that the Council has managed its finances and delivered value for money in accordance with all the Council's priorities.

Section 3 - Statutory Officer Clearance

Statutory Officer:

Signed by the Interim Director of Finance and Assurance

Sharon Daniels

Date: 20 November 2023

Statutory Officer:

Signed on behalf of the Monitoring Officer

Caroline Eccles

Date: 21 November 2023

Chief Officer:

Signed by the Interim Director of Finance and Assurance

Sharon Daniels

Date: 20 November 2023

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

Section 4 - Contact Details and Background Papers

Contact: Purvi Shah (Interim Chief Accountant)

Email: purvi.shah@harrow.gov.uk

Background Papers: N/A

If appropriate, does the report include the following considerations?

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| 1 | Consultation | No |
| 2 | Priorities | No |