

## AUDIT COMMITTEE – 29 SEPTEMBER 2022

### PART I – DELEGATED

#### 9. STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT (DoF)

##### 1 Summary

1.1 This report sets out the latest position for the finalisation and audit of the Statement of Accounts for 2019/20, 2020/21 and 2021/22.

1.2 The report also provides an update on the process to appoint external auditors for 2023/24 onwards.

##### 2 Detail

##### 2.1 Statement of Accounts 2019/20

2.1.1 In July the committee received the draft audit results report from the external auditors. It was noted that there was one significant outstanding issue in relation to the accounting treatment of the South Oxhey Initiative. The delay in resolving this issue was due to the requirement to obtain additional valuations from external valuers. Although valuers were originally instructed in May 2022 this information remains outstanding and has prevented the conclusion of the audit ahead of this committee.

2.1.2 The delay has been escalated with the external valuers. Issues with capacity over the summer have been cited and it is expected that the information will be received in September. If there is any further delay officers will seek to appoint an alternative firm to undertake the valuations in order to expedite the conclusion of this outstanding issue.

##### 2.2 Statement of Accounts 2020/21

2.2.1 The draft Statement of Accounts for 2020/21 were published by 31 July 2021 in line with statutory timetable for public inspection. These accounts will need to be updated to reflect the final balances agreed in the 2019/20 accounts. This will be done as upon completion of the 2019/20 audit and a revised set of accounts will be provided to the External Auditors for consideration. The latest version will also be updated on the Council's website.

2.2.2 The audit of the 2020/21 accounts is scheduled to commence on 17 October 2022. The 2020/21 draft Audit Plan is elsewhere on the agenda.

##### 2.3 Statement of Accounts 2021/22

2.3.1 The draft Statement of Accounts 2021/22 was authorised for issue by the Director of Finance and [published on the Council's website](#) on 31 July 2022 in line with the statutory timeframe. The period of public inspection ran from 1 August to 12 September 2022.

2.3.2 The brought forward balances and comparator figures for 2020/21 will be updated in the draft 2021/22 accounts following the conclusion of the 2020/21 audit. As

previously reported to the Committee, the audit of the 2021/22 accounts is expected to commence in January 2023.

- 2.3.3 [Analysis published by Room 151](#), an online news service, found that only 69% of local authorities met the deadline of 31 July to publish draft accounts with the figure falling to 63% amongst lower tier authorities. This compares to 77% for all authorities and 72% for lower tier authorities for the 2020/21 draft accounts. The fall in compliance reflects continuing challenges across the sector as a result of audit delays and resourcing issues. This is likely to have a knock on impact on compliance with the statutory deadline for the publication of audited accounts by 30 November.
- 2.3.4 It is anticipated that the audit of the 2021/22 will follow on immediately from the conclusion of the 2020/21 audit. Estimated completion is therefore February 2023. This is outside of the statutory timeframe, however, this will bring the Council's accounts and audit back within the statutory framework for 2022/23.

## **2.4 Appointment of External Auditors from 2023/24 onwards**

- 2.4.1 On 22 February 2022, Council agreed to opt into the national procurement for external audit services for the five year period beginning on 1 April 2023, led by Public Sector Audit Appointments Limited (PSAA).
- 2.4.2 The PSAA issued the invitation to tender on 7 April 2022 and audit firms had until 11 July 2022 to submit responses.
- 2.4.3 On 24 August 2022 the PSAA confirmed that this process has secured 96.5% of the capacity required to enable auditor appointments to all bodies that have opted into the PSAA's national scheme. A rapid supplementary procurement for four small-sized Lots was launched on 25 August 2022 to secure the remaining capacity needed with an invitation issued to nine registered suppliers that completed pre-qualification checks earlier in the process.
- 2.4.4 A full statement about the outcome of the procurement is expected in September following the conclusion of the supplementary procurement.

## **3 Policy/Budget Reference and Implications**

- 3.1 The recommendations in this report are within the Council's agreed policy and budgets.

## **4 Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications**

- 4.1 None specific.

## **5 Recommendation**

The Audit Committee is recommended to:

Note the latest timetable for completion of the external audit of the statement of accounts for 2019/20, 2020/21 and 2021/22.

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**Data Quality**

Data sources: None used in the preparation of the report

**Background Papers**

Statement of Accounts report to Audit Committee July 2022

**APPENDICES / ATTACHMENTS**

None