

STROUD DISTRICT COUNCIL

AUDIT AND STANDARDS COMMITTEE

TUESDAY, 27 SEPTEMBER 2022

Report Title	Statement of Accounts 2021 - 2022			
Purpose of Report	This report provides an opportunity to publicly consider the Statement of Accounts 2021-2022 ahead of the official audit opinion from Deloitte in November.			
Decision(s)	The Committee is asked to: a) Approve the report b) Consider any recommendations regarding the accounts for the year ending 31 March 2022.			
Consultation and Feedback	Deloitte are currently auditing the accounts and are scheduled to give their audit opinion as well as their ISO260 report to November committee in line with statutory deadlines.			
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Options	None.			
Background Papers	None.			
Appendices	Appendix A – Unaudited Statement of Accounts 2021 - 2022			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1. INTRODUCTION / BACKGROUND

- 1.1 The Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position, financial performance and cash flows of a local authority.
- 1.2 The Code is part of the 'proper practices' requirements governing the preparation of an authority's Statement of Accounts referred to in section 21 of the Local Government Act 2003.
- 1.3 It is important for compliance with the Code that two particular aspects are understood clearly.
- 1.4 First, all Statements of Accounts should reflect a common pattern of presentation, although this does not necessarily require them to be in an identical format. One of the main aims of the Code is to narrow the areas of difference and variety in accounting treatment and thereby to enhance the usefulness of published Statements of Accounts.
- 1.5 Secondly, interpretation and explanation of the accounts are considered to be extremely important. The Code requires that there should be a Narrative Report to accompany the Statement of Accounts. The Narrative Report should explain the more significant features of the accounts (see section 3.1 of the Code for further details of the requirements to produce a Narrative Report). It should be based on the information contained in the Statement of Accounts and local authorities should ensure that it does not contain material inaccuracies or misleading statements in relation to the Statement of Accounts.

1.6 The Statement of Accounts were signed by the Section 151 Officer on 28 July 2022 and were published on the same day on Council's website along with the Annual Governance Statement. This is compliant with the statutory deadline of 31 July 2022. The audit of the accounts commenced 1 August 2022. Notice was also given on the website and in local newspapers that rights of the public and local government electors to have access to financial documents and to raise objections with the Auditor commenced 1 August and ran until 12 September.

2. COMMENTARY ON THE FINANCIAL STATEMENTS

2.1. **Movement in Reserves Statement:** This is split between usable and unusable reserves and shows the detail of movement in reserves, from the surplus / (deficit) on provision of services in the Comprehensive Income and Expenditure Statement (CIES), to the position on the Balance Sheet at 31 March 2022.

2.2. **Comprehensive Income and Expenditure Statement (CIES):** The CIES consolidates all the financial gains and losses experienced during the year. The CIES has two sections:

- a. Surplus or Deficit on the Provision of Services – which shows the increase or decrease in the net worth of the Council as a result of incurring expenses and generating income.
- b. Other Comprehensive Income and Expenditure – which shows any other changes to net worth, and examples include movements in the fair value of assets or actuarial gains or losses on pension assets and liabilities.

2.3. **Balance Sheet:** The Balance Sheet summarises the Council's financial position at 31 March 2022. The top half shows accrued assets and liabilities. The bottom half is comprised of reserves, split between usable and unusable reserves, which represent the net worth of the Council.

2.4. **Cash Flow Statement:** This shows the year on year change in cash and cash equivalents, which are cash on call, and investments with a maturity of three months or less.

3. IMPLICATIONS

3.1. Financial Implications

There are no financial implications arising from this report.

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3.2. Legal Implications

There are no significant implications within this category.

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3.3. Equality Implications

There are not any specific changes to service delivery proposed within this decision.

3.4. Environmental Implications

There are no significant implications within this category.