

STROUD DISTRICT COUNCIL

AUDIT AND STANDARDS COMMITTEE

TUESDAY, 29 NOVEMBER 2022

Report Title	Statement of Accounts 2021/22			
Purpose of Report	To approve the Statement of Accounts 2021/22 and receive Deloitte's audit opinion, including the changes to the accounts since the unaudited accounts were signed off by the Strategic Director of Resources on 28 July 2022.			
Decision(s)	The Committee RESOLVES to: a) Approve the audited Statement of Accounts for the year ending 31 March 2022 and b) Approve that the Strategic Director of Resources and Chair of the Audit Committee sign the Statement of Accounts and the letter of representation.			
Consultation and Feedback	Not applicable.			
Report Author	Graham Bailey, Principal Accountant Tel: 01452 754133 Email: graham.bailey@stroud.gov.uk			
Options	None			
Background Papers	None			
Appendices	Appendix A – Statement of Accounts 2021/22			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1. Introduction

- 1.1 In accordance with requirements under the Accounts and Audit Regulations 2015, as amended by The Accounts and Audit (Amendment) Regulations 2021, the Strategic Director of Resources is required to sign and date the Statement of Accounts by 31 July 2022 and certify that it presents a true and fair view of the financial position of the Council at the end of March 2022 and its income and expenditure.
- 1.2 The Statement of Accounts for 2021/22 was signed as approved by the Strategic Director of Resources on 28 July 2022, in accordance with these requirements. The unaudited Statement of Accounts 2021/22 was made available on the Council's website from 28 July 2022 in compliance with the amended Accounts and Audit Regulations 2015.
- 1.3 A number of changes have been made to the unaudited Statement of Accounts 2021/22. Some changes are to the narrative content, general presentation for the benefit of readers and to the internal consistency and correctness of the figures in notes to the accounts.
- 1.4 Through the Committee resolving to approve the audited Statement of Accounts, the Strategic Director of Resources together with the Chairman of the Audit and Standards Committee will need to sign a letter of representation on behalf of the Committee and Council to Deloitte, to enable the audit opinion to be issued. The signing of this letter is

consistent with established protocols, the requirements of Deloitte and the general delegations to the Strategic Director of Resources. This letter is a formal written record of the representations being made on behalf of the Council via the committee. It deals with the processes and procedures the Council adopts to ensure that it is in compliance with statutory requirements, laws and regulations and also confirms there is a sufficiently robust management system to prevent and detect fraud and irregularities.

- 1.5 In addition, Regulation 9 requires that the Statement of Accounts should be signed and dated by the Chair presiding at the Audit and Standards Committee meeting at which approval is given. That regulation also requires the Statement of Accounts is published with the Independent auditor's report to the members of Stroud District Council.
- 1.6 The Council's external auditors Deloitte also present separately to this meeting their 'Report to the Audit & Standards Committee on the 2021/22 audit', which summarises their finding arising from their audit of the Statement of Accounts.

2. Commentary on the Statement of Accounts

- 2.1 The Statement of Accounts is comprised of four main statements as required by International Financial Reporting Standards which are:-
 - 2.2 **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.
 - 2.3 **Comprehensive Income and Expenditure Statement (CIES):** The CIES consolidates all the 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.
 - 2.4 **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.
 - 2.5 **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. Changes from the Draft Statement of Accounts**
- 3.1 There have been a small number of changes since the draft Statement of Accounts published in July. It should be noted that all of the changes are presentational and there is no change to the financial position of Stroud District Council.

3.2 Table 1 – changes to the Statement of Accounts

Note amended	Detail
Narrative Statement	Small changes and updates
Note 14 - Property, Plant and Equipment	Changes to brought forward carrying values and depreciation to Infrastructure Assets and Vehicles, Plant and equipment to bring Note in line with the Fixed Asset Register. No change to the net book value of assets
Balance Sheet	Reclassification of amounts received through cashiers (from debtors to cash) due to timing differences over 1 April
Cashflow Statement	
Note 19 - Debtors	
Note 20 - Cash and Cash Equivalents	
Note 26 - Cashflow	
Note 17 - Financial Instruments	Revision of financial instruments to exclude VAT and other taxes
Note 18 - Nature and Extent of Risks Arising from Financial Instruments	Amended to include all loan repayments

4. IMPLICATIONS

4.1 Financial Implications

There are no financial implications arising from this report.

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4.2 Legal Implications

There are no specific legal implications arising from the recommendations of this report.

The Authority is required to present its Statement of Accounts that are prepared in accordance with the appropriate regulations. The Authority is subject to statutory external audit in relation to its Statement of Accounts.

One Legal

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4.3 Equality Implications

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

4.4 Environmental Implications

There are no significant implications within this category.