



**30 November 2022**

**Agenda Item: 6**

## **REPORT OF THE CABINET MEMBER FOR FINANCE**

### **STATEMENT OF ACCOUNTS 2021/22**

#### **Purpose of the Report**

1. To seek approval for Committee to delegate responsibility to the Section 151 Officer, in consultation with the Chairman of the Governance and Ethics Committee, to approve the Statement of Accounts 2021/22 on completion of all external audit work.

#### **Draft Statement of Accounts 2021/22**

2. The deadline for publishing the draft Statement of Accounts 2021/22 was 31 July 2022. Nottinghamshire County Council's Statement of Accounts 2021/22 were published onto the Council's website on 5 July 2022, well ahead of the deadline.
3. As reported to Governance and Ethics Committee in July 2022, issues surrounding the accounting treatment of infrastructure assets led to the delay in signing off a number of Local Authority accounts in 2020/21. The Government has recognised that a long-term solution is required but, in order to mitigate the risks of widespread qualifications and delays, a necessary short-term solution is currently being consulted upon. It is looking increasingly unlikely at this stage that the necessary statutory action will have taken place to enable the 2021/22 to be completed by the target date of 30 November 2022. A proposed solution is currently being consulted on and the aim seems to be to have a short-term solution in place by the end of 2022.
4. It is also widely acknowledged that difficulties are being experienced across the Local Authority audit sector. Only 45% of 2019/20 local government audits in England and Wales were completed by the target date of November 2020 and just 9% of 2020/21 audits were finalised by the target date of September 2021.
5. These issues outlined above are likely to result in the 2021/22 audit not being finalised by the target date of 30 November 2022. If that is the case, it is proposed that the responsibility to approve the audited Statement of Accounts 2021/22 is delegated to the Section 151 Officer in consultation with the Chairman of the Governance and Ethics Committee. Also, at that stage, the Audited Statement of Accounts 2021/22 will be published on the Council's website.

## **Audit Results**

6. The statutory audit of the Statement of Accounts 2021/22 is being undertaken by Grant Thornton. At the time this document was published, the external auditors are continuing with their audit work. It is expected that Andrew Smith (Director – Grant Thornton) will provide a verbal update on their progress to date at the Committee meeting.
7. If the Audit Findings Report 2021/22 is not available to be presented to Committee at this meeting it is proposed that it will be brought to a future Committee at the earliest opportunity.
8. The statement of accounts is one of the key documents prepared by the Council to demonstrate good governance and value for money. This provides information about the County Council's financial position, performance and cash flows and consequently, shows the results of the stewardship and accountability of elected members and management for the resources entrusted to them, which is of paramount importance in the use of public funds.
9. As required by The Accounts and Audit (England) Regulations 2015, the Council's S151 Officer will re-certify the accounts following completion of the audit. It is proposed that responsibility to approve the Audited Statement of Accounts 2021/22 is delegated to the Section 151 Officer, in consultation with the Chairman of Governance and Ethics Committee. The Chairman of the Governance and Ethics Committee will also sign the Statement of Approval and the S151 Officer and Chairman of the Governance and Ethics Committee will sign the letters of representation.

## **Statutory and Policy Implications**

10. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION/S**

11. That

- a) The Committee delegates responsibility to the Section 151 Officer, in consultation with the Chair of Governance & Ethics Committee, to approve the Statement of Accounts 2021/22 on completion of all external audit work.

**Councillor Philip Owen**  
**Chairman of Governance and Ethics Committee**

**For any enquiries about this report please contact:**  
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**Constitutional Comments (KK 18/11/2022)**

12. The recommendations fall within the delegation to Governance and Ethics Committee under its terms of reference.

**Background Papers**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

**Electoral Division(s) and Member(s) Affected**

All