



**Committee and Date**

Audit Committee  
23<sup>rd</sup> November 2023

Item

Public



# Approval of the Council's Audited Statement of Accounts 2021/22

<b>Responsible Officer:</b>	James Walton		
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<b>Cabinet Member</b> (Portfolio Holder):	Cllr Gwilym Butler, Finance & Corporate Support		

## 1. Synopsis

This report provides for the final approval of the Statement of Accounts for 2021/22, following completion of the audit of the accounts.

## 2. Executive Summary

- 2.1. The statutory deadline for publishing the 2021/22 accounts was 30<sup>th</sup> November 2022. As outlined in previous reports to the Audit Committee, there have been significant delays in finalising the audit of the accounts due to technical accounting issues and delays in carrying out audit work.
- 2.2. The audit work on the 2021/22 Statement of Accounts is now complete and the auditors are providing an unqualified audit opinion on the accounts as follows:

*In our opinion, the financial statements:*

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2022 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22; and

- *have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.*

2.3. Grant Thornton have produced the Audit Findings Report on the 2021/22 Statement of Accounts which will be presented as a separate paper on this Audit Committee's agenda.

### **3. Recommendations**

3.1. Consider and approve the 2021/22 Statement of Accounts and that the Chairman of the Audit Committee signs them (in accordance with the requirements of the Accounts and Audit Regulations 2015).

3.2. Agree that the Executive Director of Resources be authorised to make any minor adjustments to the Statement of Accounts prior to publication of the audited Statement of Accounts.

3.3. Agree that the Executive Director of Resources and the Chairman of the Audit Committee sign the letter of representation in relation to the financial statements on behalf of the Council and send to the External Auditor.

## **Report**

### **4. Risk Assessment and Opportunities Appraisal**

4.1. Details of the potential risks affecting the balances and financial health of the Council are detailed within the Statement of Accounts that has been subject to audit. The Audit Findings Report highlights that the audit work has been focussed on the significant risk areas identified for the audit.

### **5. Financial Implications**

5.1. This report considers the overall financial position of the Authority in the form of the Council's Statement of Accounts. The accounts consider the level of assets controlled and owned by the Authority, and the level of balances of held.

### **6. Climate Change Appraisal**

6.1. The information contained within this report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaptation.

### **7. Background**

7.1. The Audit Committee has received several reports relating to the approval and audit of the 2021/22 Statement of Accounts, given the protracted audit process as a result of various national issues impacting on the audit opinion being issued:

<b>Audit Committee Date</b>	<b>Report Received</b>
20 <sup>th</sup> July 2022	Approval of the Council's Draft Statement of Accounts 2021/22
24 <sup>th</sup> November 2022	Draft Audit Findings Report 2021/22
14 <sup>th</sup> February 2023	Approval of the Council's Statement of Account Audit Progress Report 31 March 2022
28 <sup>th</sup> September 2023	Approval of the Council's Statement of Accounts 2021/22

## 8. Additional Information

### Amendments to the 2021/22 Statement of Accounts

- 8.1. Since Audit Committee reviewed and approved the 2021/22 accounts on 28<sup>th</sup> September, the Council has updated the accounts for two items.
- 8.2. The first amendment relates to a change to the Cashflow Statement to re-categorise investment income which was identified in producing the 2022/23 Statement of Accounts. During the audit of the 2022/23 accounts, this was identified and has highlighted that the treatment of similar transactions for 2021/22 was incorrect and so given that the accounts remained open, should be corrected. As a result, additional details of this change have been included within Note 2 Prior Period Adjustments.
- 8.3. It was also identified in the report to the September 2023 Audit Committee, that the opinion on the accounts was being delayed whilst the Council considered the potential impact that RAAC may have on the Council's asset base. Following this the Council is carrying out a desktop review of all Council buildings to evaluate if RAAC is present and then more investigatory work will be carried out to establish the extent and condition of RAAC. The potential obligation resulting from any remedial work required is not yet known and will not be determined imminently therefore it has been agreed with the auditors that the Council include an additional contingent liability for this item within Note 48 Contingent Liabilities.

### Letter of Representation

- 8.4 The Council is required to produce a letter of representation for the external auditors which provides assurance that the information submitted within the accounts is accurate and that all material information has been disclosed to the auditors. External audit will only sign off the accounts once this letter has been received.
- 8.5 For Shropshire Council, this letter is produced in consultation with the external auditor, and it is proposed that this is signed by the Executive Director of Resources and the Chairman of the Audit Committee on behalf of the Council.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Approval of the Council's Draft Statement of Accounts 2021/22 – Audit Committee, 20th July 2022

Draft Audit Findings Report 2021/22 – Audit Committee, 24th November 2022

Approval of the Council's Statement of Accounts – Audit Committee, 14th February 2023

Audit Progress Report 31 March 2022 – Audit Committee, 14th February 2023

Approval of the Council's Statement of Accounts 2021/22 – Audit Committee, 28<sup>th</sup> September 2023

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**Local Member:** All

**Appendices** [Please list the titles of Appendices]

Appendix 1 - Audited Statement of Accounts 2021/22

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