

# North Tyneside Council Report to Audit Committee Date: 16 November 2022

## ITEM

2021/22 Annual Financial Report

**Report from:** Finance

**Responsible Officer:** Jon Ritchie, Director of Resources      **Tel:** 643 5701

**Wards affected:** All

### Adjustments arising from the external audit of the 2021/22 accounts

#### 1. Short Term Investments/ Cash Equivalents

Two investments totalling £7.500m were included in Cash and Cash Equivalents. Both investments have a duration of over 3 months and have been reclassified as Short Term Investments in the revised accounts. There is no impact on balances or reserves as a result of this change and the following statements have been updated:

- Balance Sheet
- Cash Flow Statement
- Cash and Cash Equivalents Note 25
- Financial Instruments Note 38
- Cash Flow Investing Activities Note 40

#### 2. Rent Allowance/ Rent Rebates Debtor and Creditor

The debtor and creditor for Rent Allowances/ Rent Rebates in the balance sheet was (under)/ overstated by £3.994m. Management have reviewed this and the debtors and creditors values in the balance sheet have been amended. There is no impact on balances or reserves as a result of this change and the following statements have been updated:

- Balance Sheet
- Short-term Debtors Note 24
- Short-term Creditors Note 27
- Financial Instruments Note 38
- Cash Flow Operating Activities Note 39

#### 3. Overstated COVID-19 Grant Income

COVID-19 Schools Catch Up Premium and COVID-19 Recovery Premium Schools were overstated in the notes to the accounts by £0.880m and £0.530m respectively. There is no impact on balances or reserves as a result of this change and the following statement has been updated:

- Grants and Contributions Income Note 13

### **Other Adjustments – Revised Airport Valuation**

#### **4. Airport Valuation**

A revised Airport valuation was received after the draft 2021/22 accounts were published. In common with the other local authority shareholders the accounts have been updated to reflect the change in the Authority's valuation of (£1.031m). There is no impact on balances or reserves as a result of this change and the following statements have been updated:

- Comprehensive Income & Expenditure Statement
- Movement in Reserves Statement
- Balance Sheet
- Long Term Investments Note 23
- Financial Instruments Revaluation Reserve Note 33(h)
- Financial Instruments Note 38