

North Tyneside Council Report to Audit Committee Date: 25 May 2022

Title: Annual Statement of
Accounts 2021/22

Report from Service: Finance

Report Author: Janice Gillespie, Director of Resources (Tel: 643 5701)

Wards affected: All

PART 1

1.1 Executive Summary:

1.1.1 The purpose of this report is to provide the Audit Committee with an update in respect of the closure of the 2021/22 accounts.

1.2 Recommendation(s):

1.2.1 It is recommended that the:

- (a) Audit Committee note the work outlined in respect of the closure of the 2021/22 accounts.

1.3 Council plan and policy framework:

1.3.1 The Annual Statement of Accounts covers all the service responsibilities as identified within the Council Plan.

1.4 Information:

1.4.1 The Chief Finance Officer is required, no later than 31 July 2022, to sign and certify that the draft Statement of Accounts present a true and fair view of the Authority's financial position for the year ended 31 March 2022. The audited set of accounts is required, no later than 30 November 2022, to be approved and subsequently published.

Update on the preparation of the 2021/22 Annual Statement of Accounts

1.4.2 The Committee will recall that in the 22 March report on the preparation of the accounts for 2021/22 we were working towards a deadline of the end of May for a draft set of accounts to be available. This deadline has now been revised to the end of June for the draft accounts, this is still within the statutory reporting deadline outlined in section 1.4.1 above. A number of factors have impacted on the deadline being slipped which are outlined in the following paragraphs.

- 1.4.3 There has been a delay in the receipt of service lead debtors and creditors (accruals) due to the impact of the Easter break which resulted in deadlines slipping. Delays were also experienced in receiving information from schools.
- 1.4.4 COVID-19 grant funded areas of the accounts have taken longer than anticipated to work through due to the volume of transactions and ensuring that grant funding is applied correctly in accordance with the Accounting Code of Practice.
- 1.4.5 There have been delays in receipt of information from central government, for example NDR3 (business rates) was received after the anticipated deadline.
- 1.4.6 The impact of the slippage has meant a delay in producing the outturn for 2021/22 which in turn has led to delays in producing the draft accounts as all transactions need to be in the General Ledger before the main financial statements can be started. Despite this a number of the standalone notes to the accounts have been completed, for example leasing, pensions, officers' remuneration, long-term investments with others underway.
- 1.4.7 Going forward lessons will be learnt from the issues that have been encountered to ensure that they are not repeated.

1.5 Decision options:

- 1.5.1 The Audit Committee can agree to endorse the recommendations as set out in Section 1.2 of this report. Alternatively, the Audit Committee can decline to endorse the proposals and require further details and amendment.

1.6 Reasons for recommended option:

- 1.6.1 The Audit Committee is recommended to endorse the proposals set out in section 1.2 of this report as the production Audited Annual Statement of Accounts is a requirement of the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021.

1.7 Appendices:

None.

1.8 Contact officers:

Janice Gillespie – Director of Resources - Tel: 643 5701

Claire Emmerson – Senior Manager, Financial Strategy & Planning – Tel 643 8109

Peter Weir – Principal Accountant – Tel 643 8066

1.9 Background information:

- 1.9.1 The following background papers and reports have been used in the compilation of this report and are available for inspection at the offices of the author:

- (a) Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

2.1.1 There are no financial implications as a result of the recommendations within this report.

2.2 Legal

2.2.1 The Authority has a duty to ensure that it produces a draft Annual Statement of Accounts by 31 July 2022 in accordance with the Accounts and Audit (Amendment) Regulations 2021.

2.3 Consultation/community engagement

2.3.1 Consultation will take place with the key personnel and interested parties involved in the closedown process.

2.4 Human rights

2.4.1 There are no Human Rights implications as a result of the recommendations in this report.

2.5 Equalities and diversity

2.5.1 There are no Equalities and Diversity implications as a result of the recommendations in this report.

2.6 Risk management

2.6.1 A risk log has been set up which identifies the key risks and issues associated with the closedown process. The management of these risks are part of the overall process.

2.7 Crime and disorder

2.7.1 There are no crime and disorder implications as a result of the recommendations in this report.

2.8 Environment and sustainability

2.8.1 There are no environment and sustainability implications as a result of the recommendations in this report.