

## **Divisions Affected - All**

### **AUDIT & GOVERNANCE COMMITTEE**

**20 July 2022**

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

#### **Report by Director of Finance**

### **RECOMMENDATION**

**1. The Committee is RECOMMENDED to**

Agree that the Director of Finance can approve a draft set of accounts by 29 July 2022;

### **Executive Summary**

2. This report sets out the latest position on the preparation and audit of the 2021/22 Statement of Accounts.
3. The Accounts and Audit Regulations 2015 set out the statutory timetable for the publication of the Council's unaudited accounts and completion of the external audit. The amended regulations require that draft accounts and public inspection of them begins no later than 1 August 2022. The deadline for completion of the external audit is 30 November 2022.
4. Draft accounts will be circulated to the Committee prior to publication on the website.

#### **Authorisation and Publication of the draft statement of accounts**

5. The draft Statement of Accounts will be authorised by 29 July and published alongside the Annual Governance Statement on the County Council website. The period of public inspection will commence on 1 August 2022 and will conclude on 12 September after 30 working days.
6. There has been a longer time used in preparation of the accounts to ensure we have accurate asset valuation data as well as all relevant Council Tax and Business Rate information from the District authorities.

#### **External audit and approval of accounts**

7. The external audit will be conducted in two phases. The first will be in July with walk through testing and sample selection. The second phase will begin in

September and run through till at least the end of October and cover all other aspects of the audit.

8. Further to my report at the June committee regarding Accounting for Infrastructure Assets the consultation run by CIPFA ended on 14 June. The results have been analysed by:

- CIPFA
- Financial Reporting Advisory Board
- Local Audit Advisory Group
- National Audit Office
- Department of Levelling Up, Communities and Housing

9. The proposed solution that was consulted upon is now unlikely to pass the three tests it needed to – Acceptable accounting treatment, practical for preparers and acceptable to auditors. A further meeting of the CIPFA Task and Finish Group will take place in July as well as a round table discussion at the CIPFA Conference on 12 July. The unknown outcome of this issue may delay the signing of both 2020/21 and 2021/22 accounts.

### **Letters of Representations**

10. Draft Letters of Representation for the County Council and Pension Fund accounts will be circulated for approval at the September meeting.

### **Financial Implications**

11. Any change to the Code may entail significant investment of staff time to bring reporting in line with guidance.

Comments checked by:

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### **Legal Implications**

12. The Council must ensure that arrangements are in place to comply with the Local Audit and Accountability Act 2014, Accounts and Audit Regulations 2015 as amended and statutory guidance, including the Code of Practice on Local Authority Accounting in the United Kingdom.

Comments checked by:

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