

Report to	Governance and Audit Committee
Date of meeting	22 nd September 2021
Lead Member / Officer	Julian Thompson Hill
Report author	Steve Gadd, Head of Finance and Property
Title	Draft Statement of Accounts 2020/21

1. What is the report about?

To provide an overview of the draft Statement of Accounts 2020/21 and the process underpinning it.

2. What is the reason for making this report?

The Corporate Governance Committee has delegated responsibility to approve the audited accounts which it is hoped will be presented on 24th November 2021. Presenting the draft accounts gives an early indication of the council's financial position and can highlight any issues in the accounts or the process prior to the accounts being audited.

3. What are the Recommendations?

3.1 To note the position as presented in the draft accounts (see Appendix 1).

4. Report details

The council has a statutory duty to produce a statement of accounts that complies with approved accounting standards. The audited accounts have to be formally approved by elected members on behalf of the council. This role has been delegated to the Corporate Governance Committee. The draft accounts have now been finalised and were signed by the Head of Finance and Property on the 2nd August (15th June last year). The draft accounts have been made available for audit as required and will be open to public

inspection from 2nd September to 29th September. These dates are later than usual and a report explaining the reasons for the delay was presented to G&AC in July and the position is summarised below.

As happened last year the Welsh Government issued guidance that due to the ongoing impact of Covid the statutory deadlines for the completion of the Draft and Audited accounts would be extended as set out in the table below. DCC took the early decision to issue a notice to say that we would not be aiming for the statutory early deadline but would achieve the revised deadlines. This decision was taken in consultation with AW and informed by their assessment of their ability to complete the required audit work. The main factor for DCC in taking this decision was that we knew that we would need to produce the Group Accounts (which includes the accounts for Denbighshire Leisure Limited) before we could sign the draft accounts. We recognised that this would be a challenging year for both DLL and DCC to ensure all the information was available on time.

Item	Statutory Deadline	Extended Deadline
Draft Statement of Accounts	31 May 2021	31 August 2021
Audited Statement of Accounts	31 July 2021	30 November 2021

5. How does the decision contribute to the Corporate Priorities?

The publication of the Statement of Accounts underpins the financial stewardship and governance of the council and therefore supports all council services and priorities.

6. What will it cost and how will it affect other services?

There are no additional cost implications as a result of this report.

7. What are the main conclusions of the Well-being Impact Assessment?

It is the professional judgement of the Section 151 Officer that a Well-being Impact Assessment is not required for this report.

8. What consultations have been carried out with Scrutiny and others?

The council's procedures and processes underpinning the production of the accounts are regularly reviewed by the Wales Audit Office. Professional opinions are drawn from numerous other disciplines beyond finance, such as legal, property valuation, HR and pensions.

9. Chief Finance Officer Statement

The Statement of Accounts is a key element of the council's governance framework. It is important that elected members are assured that the accounts have been produced in compliance with the relevant standards and that the process underpinning the production of the accounts is robust. Although it is disappointing that the timetable has slipped this year it is important to note the following:

- The accounts will still be signed off within the revised regulatory timescales.
- It is also pleasing that the draft single entity Statement of Accounts were prepared within the original timescales
- We have agreed to bring a report to this Committee early in 2022 to update on the plans and progress to return to the statutory early closure of accounts deadlines.

10. What risks are there and is there anything we can do to reduce them?

The council would be in breach of its statutory duty if it could not approve the accounts by 30th November.

11. Power to make the decision

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs. The Appointed Auditor is required by the Public Audit (Wales) Act 2004 to examine and certify the accounts of the council and must be satisfied that the accounts have been completed in compliance with the Accounts and Audit (Wales) Regulations 2018.