

CYNGOR SIR POWYS COUNTY COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

20 January 2023

REPORT AUTHOR: Jane Thomas, Head of Financial Services

SUBJECT: Statement of Accounts 2021/22

REPORT FOR: Information

- 1.1 The draft Statement of Accounts for 2021/22 were signed off by the Head of Finance (Section 151 Officer) on 30 June 2022 as required by Accounts and Audit (Wales) Regulations 2014 (as amended).
- 1.2 The impact of COVID-19 has once again meant Welsh Government made provision for a potential delay in completing the accounts, extending the date for the preparation and certification of draft accounts to the 31 August 2022 with the publication of final audited accounts extended to the 30 November 2022 for all local government bodies in Wales. This was further extended to 31 January 2023 due to uncertainty relating to the accounting treatment for infrastructure assets which effected all local Authority accounts.
- 1.3 An Update to the Code and Specifications for Future Codes for Infrastructure Assets and the 2022 amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 allow temporary reliefs, up to and including 2024/25 for reduced infrastructure assets disclosures. Due to historic information deficits gross cost and accumulated depreciation are not disclosed in the accounts presented. The legislation came into force on 2 December 2022 allowing an agreed way forward enabling the accounts to be finalised.
- 1.4 The Auditor General intends to issue an unqualified opinion on the 2021/22 Accounts of the Authority following the Committees consideration and approval, The Head of Finance (Section 151 Officer) and the Chair of Governance and Audit Committee will sign the Statement of Accounts. Arrangements will then be made to publish these accounts.
- 1.5 As part of its role in scrutinising the Council's Statement of Accounts, Governance and Audit Committee has participated in two Audit seminars. One on 25 July 2022, where they received a presentation on the draft accounts submitted to Audit Wales and another held on the 21 November 2022 which presented the main changes made since the draft and reviewed the items and issues raised during the audit period. Members of the Committee used this opportunity to review and question the amendments, enabling them to fully understand the reasons for the changes and any impact they have on the accounts.

- 1.6 There are two misstatements identified in the audited accounts that remain uncorrected and more details are included in the Letter of Representation and in the Auditor General's report. Further advice will be provided during the meeting.
- 1.7 All other misstatements have been corrected and these are recorded in Appendix 3 of the Auditor General's Report. The adjustments uplifting Council Dwellings and Depreciated Replacement Cost assets were made to reflect increasing costs. This was an issue that has impacted many Councils who do not revalue these asset classes annually.
- 1.8 Recommendations identified in the Appendix 4 of the Auditor General's report have been accepted in full and the corresponding actions will be addressed and included in the closing timetable process for 2022/23.
- 1.9 The Governance and Audit Committee are asked to consider the Statement of Accounts documentation, the explanations provided and the advice of Audit Wales in considering the recommendation.

Recommendation:	Reason for Recommendation:
<p>The Governance and Audit Committee considers and approves the 2021-22 Statement of Accounts. Which can be formally signed by Chair of the Committee and the Section 151 Officer.</p> <p>The Statement of Accounts be published as soon as possible but certainly by the 31 January 2023.</p>	<p>To ensure compliance with the Statutory Requirements.</p>

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