

**CYNGOR SIR POWYS COUNTY COUNCIL**

**GOVERNANCE & AUDIT COMMITTEE**

**10<sup>th</sup> February 2022**

**REPORT AUTHOR: Jane Thomas, Head of Financial Services**

**SUBJECT: Closure of Accounts**

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**REPORT FOR: Information**

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- 1.1 Committee will be aware that the Statement of Accounts and the Pension Fund accounts for 2020-21 were issued an unqualified audit opinion by the Auditor General and approved by the Governance & Audit Committee on the 29<sup>th</sup> September 2021 and 18<sup>th</sup> November 2021 respectively.
- 1.2 The project management approach used over the last few years will continue for the 2021-22 closure of accounts.
- 1.3 The statutory deadline for the completion of the unaudited accounts is 31<sup>st</sup> May and the date for publishing 31<sup>st</sup> July. Discussions continue with Audit Wales, Welsh Government and Finance leads across Wales around these timelines given the continued pressures placed on resources due to the COVID 19 pandemic across both Health and Local Government. If the statutory deadlines cannot be met there is already some provision in place.

The Council must

- a) publish immediately a statement setting out the reasons for the officer's non-compliance; and
- b) agree to a course of action to ensure compliance as soon as possible.

As per the Accounts and Audit (Wales) Regulations 2014.

- 1.4 CIPFA held its closure of accounts workshop on 1<sup>st</sup> February 2022. The content included developments from the Redmond Review, code changes for 2021/22 and beyond, accounting for COVID 19 and the new leasing standard IFRS 16 which will come into place from April 2022. The standard will require leasees to remove the distinction between operating and finance leases and record leases on the balance sheet where they are over a certain value and have more than 12 months remaining on the contract. Officers are working to identify all such leases and set structures in place to account for them and meet the disclosure requirements.
- 1.5 The Pension Fund closing accounts event is to be held on 1<sup>st</sup> March.

- 1.6 Meetings with Audit Wales are in progress. Early testing of transactions to period 10 are about to commence. Issues raised as part of the ISA260 and the Audit of Accounts Report Addendum will be added to the timetable where appropriate.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>The Committee notes the contents of this report.</b>	<b>To ensure that the Council successfully completes the preparation and approval of the Annual Statement of Accounts for 2021/22 in order to receive an unqualified audit opinion.</b>

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