

**Teignbridge District Council  
Full Council  
30 November 2021  
Part i**

**2020/21 FINAL ACCOUNTS, INCLUDING THE ANNUAL GOVERNANCE  
STATEMENT**

**Purpose of Report**

To bring the statement of accounts 2020/21, letter of representation to Grant Thornton from the Chairman of the Council and the Annual Governance Statement to Members for approval.

**Recommendation(s)**

**That the Council resolve to**

- (a) Approve the 2020/21 Statement of Accounts including the Annual Governance Statement and letter of representation as recommended by the Audit Scrutiny Committee subject to any final adjustments agreed with the external auditors to be reported to Council; and**
- (b) Note the Audit Findings Report from Grant Thornton and approve the actions arising from the action plan**
- (c) Note the mid year review of Treasury Management for 2021/22 as recommended by Executive on 2 November**

**Financial Implications**

The financial implications are contained throughout the reports considered at Audit Scrutiny on 24 August 2021 and 27 October 2021. The main implication is that the accounts have been closed and audited and general reserves are slightly above the budgeted level anticipated at 31 March 2021 - £2.060 million. See section 3

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**Legal Implications**

See section 5 – the Accounts and Audit Regulations 2015 set out the requirements for the production and publication and audit of the annual statement of accounts.

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## **Risk Assessment**

Major risks are summarised in section 4. The most significant of these is the level of future funding from Central Government and the level of reserves held to meet future unexpected variations in income.

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## **Environmental/Climate Change Implications**

The revenue budget supports the funding of a Climate Change Officer and associated budget – see section 7.

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## **Report Author**

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## **Executive Member**

Councillor Richard Keeling – Executive Member for Resources

Councillor Sally Morgan – Chairman – Audit Scrutiny Committee

## **Appendices/Background Papers**

None – see link to statement of accounts

### **1. PURPOSE**

To bring the Statement of Accounts 2020/21, letter of representation to Grant Thornton from the Chairman of the Council and the Annual Governance Statement to Members for approval. To note the Audit Findings Report from Grant Thornton and approve the actions arising.

### **2 BACKGROUND**

- 2.1** The accounts and audit regulations 2015 set out the requirements for the production and publication of the annual statement of accounts. The statement usually has to be produced and certified by the chief finance officer

by 31 May however the outbreak of Covid 19 has triggered amendments to this deadline by extending this to the end of July for 2020/21. Ordinarily the accounts have to be brought for full council approval after external audit and by 31 July however again this has been amended to the end of September or as soon as is practically possible. The Audit Scrutiny Committee considered the draft Statement of Accounts 2020/21 and the Annual Governance Statement at its meeting on 24 August 2021 and the final accounts (subject to audit) including the Annual Governance Statement on 27 October 2021. The 27 October Committee recommended that the Council approve these documents together with the letter of representation. The draft Audit Findings Report was also considered on 27 October together with future recommended actions. The report is available on the website at [Browse meetings - Audit Scrutiny Committee - Teignbridge District Council](#)

- 2.2 The accounts reports considered by the Audit Scrutiny Committee on 24 August 2021 and 27 October 2021 are appended for ease of reference. The Statement of Accounts including the Annual Governance Statement was circulated with the agenda for the meetings on 24 August and 27 October via a web link in the appended reports. A hard copy is also available on request from Democratic Services.
- 2.3 The minutes of the Audit Scrutiny Committee meeting held on 24 August and 27 October can be found on the Council's website at [Browse meetings - Audit Scrutiny Committee - Teignbridge District Council](#)
- 2.4 The Executive considered the draft treasury management results at its meeting on 16 September 2021. The treasury management results for 2020/21 are now final with no changes. The Executive also considered the final accounts progress at its meeting on 2 November and the mid year review of Treasury Management for 2021/22. The mid year review requires noting by Council. For information the minutes of the Executive meetings on 16 September and 2 November can be found on the Council's website at [Browse meetings - Executive - Teignbridge District Council](#)

### **3 STATEMENT OF ACCOUNTS 2020/21**

- 3.1 The audit of the statement of accounts is finalised and there are no known major adjustments to date. Grant Thornton will discuss any findings separately in their report when the audit is ready for sign off together with any late adjustments if material. There are no adjustments required to the Strata figures consolidated into the accounts of the Council. The draft closing general reserves at 31 March 2021 of £2.060 million are an improvement on the original budget of £80,000.
- 3.2 The balance sheet shows a net worth of £14.6 million at 31 March 2021 compared to a net worth of £17.4 million at 31 March 2020. This is due

mainly to an increase in the pension fund deficit mainly offset by an increase in the value of our property, plant and equipment, increase in earmarked reserves, capital receipts reserve and capital grants unapplied.

- 3.3** The regulations require the formal approval of the accounts and this will be signified by the Chairman of the Council signing and dating the accounts on the page entitled the Statement of Responsibilities for the Statement of Accounts at the Council meeting. This statement is from the Chief Finance Officer and will be signed by him before presentation of the accounts to the council meeting.

#### **3.4 Letter of Representation**

Our external auditor requires assurances from us on various financial matters including statutory and contractual requirements, reasonableness of estimates and provisions, responsibility for internal controls, various disclosures and information provided. These are detailed in the letter which needs recommendation for approval at full Council.

#### **4. RISKS**

The major risks to be aware of are around future funding and the adequacy of reserves going forward as further action may be required to address the continuing impacts of the Covid 19 pandemic and budget gaps. General reserves are maintained at a value higher than originally budgeted and earmarked reserves are held to help deal with future forecast funding changes and earmarked projects/schemes. Further clarity is required on the level of Government support. These risks may impact further on the performance of treasury management and borrowing levels moving forward. Preparation and approval of the accounts are required by the Accounts and Audit Regulations 2015 and if these regulations are not adhered to the auditors could qualify the accounts.

#### **5. MAIN IMPLICATIONS**

The implications members need to be aware of are as follows:

##### **5.1 Legal**

The Financial Accounts for 2020/21 need to be produced and audited in accordance with the Accounts & Audit Regulations 2015.

##### **5.2 Resources**

The report notes that general reserves have been maintained at a level slightly higher than originally budgeted at 31 March 2021.

**6. GROUPS CONSULTED**

The accounts have been advertised as available for inspection and are available on the website. The external auditors have been auditing the financial records and accounts since August.

**7. ENVIRONMENTAL/CLIMATE CHANGE IMPACT**

The revenue budget supports the appointment of a climate change officer and associated budget.

**8. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

Immediately. No call in.