

**Teignbridge District Council
Full Council
29 October 2024
Part i**

2021/22 AND 22/23 FINAL ACCOUNTS

Purpose of Report

To bring an update on the statement of accounts for 2021/22 and 2022/23, letter of representations to Grant Thornton and the revised Annual Governance Statements to Members for approval.

Recommendation(s)

That the Council resolve to

Approve the revised final statement of accounts 2021/22 and 2022/23 including the updated Annual Governance Statements for 2021/22 and 2022/23 and letters of representation for 2021/22 and 2022/23 as recommended by the Audit Scrutiny Committee.

Financial Implications

The financial implications are contained throughout the report. The main implication is that the accounts for the two financial years have now been closed but not audited. General reserves are as previously reported in August 2022 and August 2023 being above the budgeted level anticipated at 31 March 2022 - £2.106 million and at 31 March 2023 - £2.317 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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Executive Member

Councillor Richard Keeling – Executive Member for Resources

Councillor Sally Morgan – Chair – Audit Scrutiny Committee

Appendices/Background Papers

Statement of Accounts – final statement of accounts attached as appendix and see link to draft statement of accounts below (which include the Annual Governance Statement).

Letters of representation 2021/22 and 2022/23.

1. PURPOSE

To bring an update on the statement of accounts 2021/22 and 2022/23 for Members to review and approve.

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 Covid 19 pandemic had triggered amendments to this deadline by extending this to the end of July. Ordinarily the accounts have to be brought for full council approval after external audit and by 31 July however again this had been amended to the end of September 2021 for the financial year 2020/21. The dates for production of the draft accounts for 2022/23 were moved back to 31 May however this proved impractical for most due to the complexities of producing a set of draft accounts and so the deadline has now moved to 30 June for 2024/25.
- 2.2** At the Audit Scrutiny meetings of 30 August 2022 and 29 August 2023 the committee was introduced to the draft accounts and the results for the year 2021/22 and 2022/23 including those for treasury management. The draft accounts were published at the end of July 2022 and end of June 2023 for the respective years accounts. The Audit Scrutiny Committee considered the draft accounts as amended for the audit opinion to be the final accounts and the revised Annual Governance Statements and letter of representations at the meeting held on 9 October 2024. The final accounts and minutes of the Audit Scrutiny Committee meeting held on 9 October 2024 can be found on the Council's website at [Browse meetings - Audit Scrutiny Committee - Teignbridge District Council](#)
- 2.2** The statement of accounts and financial records have not been audited for these two financial years by our external auditors Grant Thornton due to resourcing issues so remain unaltered from the draft accounts produced with a slight refinement to the Annual Governance Statement included in the accounts to reflect the current position for both of those years via an Addendum. The accounts have to be signed off by Full Council due to the 'back stop' dates introduced for outstanding audits – being 13 December 2024 for years 2021/22 and 2022/23.

3 STATEMENT OF ACCOUNTS 2021/22 AND 2022/23

- 3.1** The statement of accounts are now finalised, have not been audited and there are no further changes for 2021/22 or 2022/23 from those reported in 2022 and 2023. The closing general reserves at 31 March 2022 of £2.106 million are an improvement on the original budget of £46,000. The closing general reserves at 31 March 2023 of £2.317 million are an improvement on the original budget of £211,000.
- 3.2** The draft balance sheet for 2021/22 shows a net worth of £29.9 million at 31 March 2022 compared to a net worth of £14.6 million at 31 March 2021. This is due mainly to a reduction in the pension fund deficit, increase in short term

investments and cash and cash equivalents. The draft balance sheet for 2022/23 shows a net worth of £110.4 million at 31 March 2023 compared to a net worth of £29.9 million at 31 March 2022. This is due mainly to a significant decrease in the pension fund deficit.

- 3.3** The regulations require the formal approval of the accounts and this will be signified by the Chair 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 Annual Governance Statement updates 2021/22 and 2022/23

The Annual Governance Statements for each year have been reviewed to reflect governance related events, particularly around member – officer relations which have evolved since original publication of the draft AGS statements. These include the actions both already taken, and those ongoing, to address findings from reviews undertaken by the Centre for Governance and Scrutiny in 2021 and 2023 and subsequent Peer review and are included in the accounts appended to this report.

3.5 Letter of Representation – 2021/22 and 2022/23

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 for each year which needs recommendation for approval at full Council. See appendix to this report.

4. RISKS

The major risks to be aware of are around future funding and the adequacy of reserves going forward and confirmation as to the correct value of those reserves. Further action is still required to address the future 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. 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 can qualify the accounts.

5. MAIN IMPLICATIONS

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

5.1 Legal

The Financial Accounts for 2021/22 and 2022/23 need to be produced and should be audited in accordance with the Accounts & Audit Regulations 2015.

5.2 Resources and Audit Opinion

The report notes that general reserves have been maintained at a level slightly higher than originally budgeted at 31 March 2022 and 31 March 2023.

The auditors 'disclaimer' opinion is now included within the statement of accounts.

6. GROUPS CONSULTED

The accounts are advertised as available for inspection and are available on the website. As required by legislation these will be updated with the final version including the external audit disclaimer opinion on our website.

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.