

**SUBJECT: STATEMENT OF ACCOUNTS 2020/21 – MONMOUTHSHIRE COUNTY COUNCIL**

**MEETING: Governance and Audit Committee**

**DATE: 29<sup>th</sup> July 2021**

**DIVISIONS/WARD AFFECTED: All**

**1. PURPOSE:**

- 1.1 This report has been prepared to provide Governance and Audit Committee Members with an opportunity to review and provide comments on the draft 2020/21 Statement of Accounts of Monmouthshire County Council.
- 1.2 Members are asked to note that the figures provided may be subject to change during our external audit process and that a final audited statement of accounts will be presented to this committee during the autumn.
- 1.3 The accounts were signed by the Responsible Finance Officer on the 21st July 2021 and will be subject to external audit and the public inspection period.

**2. RECOMMENDATIONS:**

- 2.1 That the Governance & Audit Committee:
  - Note the 2020/21 draft Statement of Accounts and highlight any queries and comments.
  - Note that the audited Statement of accounts for 2020/21 will, prior to being presented to Council, be reviewed by this Committee during the autumn.

**3. KEY ISSUES**

- 3.1 The Local Government (Wales) Measure 2011 identifies the review of the Council's Statement of Accounts as a specific function of the Governance & Audit Committee.
- 3.2 Under current legislation for Wales, the draft statement of accounts are to be produced and published by the Authority by the 31<sup>st</sup> May following the financial year they relate to.
- 3.3 The Authority has a good record of meeting its accounts closure deadlines but during the 2020/21 closure process the finance section has faced considerable disruption as a result of the continuing impact of the Covid-19 pandemic with staff resources being limited and the primary focus rightly being directed to ensuring the ongoing financial sustainability of the Council.
- 3.4 The regulations in place in Wales continue to allow the Council the flexibility to publish the statement of accounts after the statutory deadline subject to providing a statutory notice as per paragraph 10(4) of the regulations detailing the reasons for not meeting the deadline. This notice was made by the Council on the 28<sup>th</sup> May 2021. The notice can be viewed at

- 3.5 The Statement of Accounts, shown in **Appendix 1**, is a highly technical document and its form and content are heavily regulated. The main regulations come through the:
- Code of Practice on Local Authority Accounting in the United Kingdom;
  - Service Reporting Code of Practice; and
  - Supported by International Financial Reporting Standards (IFRS).
- 3.6 In complying with these Standards, the accounts do not always make easy reading. With this in mind a summary of the main financial statements has been prepared at **Appendix 2** to assist with the scrutiny process of the primary statements.
- 3.7 Alongside this the guide produced by CIPFA – **Understanding Local Authority Financial Statements** has been provided as a background paper which may assist members of the Governance and Audit Committee and other users to understand the format of the accounts.
- 3.8 The formal Statement of Accounts at **Appendix 1** include the following statutory primary statements:
- Movement in Reserves Statement
  - Income & Expenditure Statement
  - Balance Sheet
  - Cashflow Statement
- 3.9 Supporting explanatory notes are also included in sections 10 to 17 which aim to give further information on the amounts included in the primary statements.

#### **4. OPTIONS APPRAISAL**

- 4.1 The production of the statement of accounts is a statutory requirement and as such any option appraisal is not applicable.

#### **5. EVALUATION CRITERIA**

- 5.1 The production of the statement of accounts is a statutory requirement and as such any evaluation criteria is not applicable.

#### **6. REASONS**

- 6.1 To provide Governance and Audit Committee Members with an opportunity to review and provide comments on the draft 2020/21 Statement of Accounts of Monmouthshire County Council.

#### **7. RESOURCE IMPLICATIONS**

- 7.1 As outlined in the respective accounts to be found in the Appendices.

#### **8. WELLBEING OF FUTURE GENERATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):**

8.1 There are no implications directly arising from the recommendations and decisions highlighted in this report.

**9. CONSULTEES**

Strategic Leadership Team  
Deputy Chief Executive (Chief Officer – Resources)

**10. BACKGROUND PAPERS**

***Appendix 1*** - Draft 2020/21 Statement of Accounts – Monmouthshire County Council  
***Appendix 2*** – Summary of 2020/21 primary financial statements

***Background paper 1*** - Understanding Local Authority Financial Statements (CIPFA – 2016)

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**12. CONTACT DETAILS**

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