

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

MEETING: Governance and Audit Committee

DATE: 29th 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 31st 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 28th 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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