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| REPORT REFERENCE NO. | AGC/21/1 |
| MEETING | AUDIT & GOVERNANCE COMMITTEE |
| DATE OF MEETING | 30 JULY 2021 |
| SUBJECT OF REPORT | FINANCIAL STATEMENTS 2020-21 |
| LEAD OFFICER | Treasurer |
| RECOMMENDATIONS | <p><i>(a). that an additional meeting be arranged for 30 September 2021 at 10:00 hours to approve the 2020-21 final Statement of Accounts and the Annual Statement of Assurance for publication on the Authority’s website by 30 September 2021, in accordance with Regulation 9(2) of the Accounts and Audit Regulations 2015 (as amended);</i></p> <p><i>(b). that, subject to (a) above, the report be noted.</i></p> |
| EXECUTIVE SUMMARY | <p>The Accounts and Audit Regulations 2015 (“the Regulations”) provide the basis for the preparation, audit and publication of both the draft and final Financial Statements. The Financial Statements comprise:</p> <ul style="list-style-type: none"> • the Statement of Accounts (including any certificate or opinion provided by the external auditor); • the Annual Statement of Assurance; and • the Narrative Statement (Audit Findings). <p>In early 2021, revised Regulations were instigated – The Accounts and Audit (Amendment) Regulations 2021 - that extended the statutory audit deadlines for the financial statements for both 2020-21 and 2021-22. The publication date for audited bodies has moved from 30 July 2021 to 30 September 2021.</p> <p>Despite the complications arising from the Covid-19 pandemic, this Authority published its draft financial statements on its website in accordance with Regulation 9(1) and advised the auditors of this on 28 June 2021.</p> <p>This report now advises on the current position in relation to the final Statement of Accounts and associated documents.</p> |
| RESOURCE IMPLICATIONS | As indicated in the report. |
| EQUALITY IMPACT ASSESSMENT | An initial assessment has not identified any equality issues emanating from this report. |
| APPENDICES | None. |

**BACKGROUND
PAPERS**

External Audit Scope document – 30 July 2021

[The Accounts and Audit Regulations 2015 \(as amended\)](#)

1. INTRODUCTION AND BACKGROUND

1.1. The Accounts and Audit Regulations 2015 as amended (“The Regulations”), which apply to the Authority, introduced a new timetable for preparation, audit and publication of both the draft and final Financial Statements. The Financial Statements comprise the Statement of Accounts, including the Narrative Statement, and the Annual Statement of Assurance. Whilst the Regulations came in to force in 2015, the revisions to the timescales for publication applied in the 2021 amendment relating to financial years commencing in 2020 and 2021, means this deadline has been extended to 30 September. Prior to publication, the Financial Statements must be approved by this Committee (as per Regulation 9(2)).

1.2. The key aspect of the (revised) Regulations is highlighted in the extract below:

“**10.**—(1) A Category 1 authority **must**, after approving the statement of accounts in accordance with regulation 9(2) but not later than **30 September** of the financial year immediately following the end of the financial year to which the statement relates, publish (which must include publication on the authority’s website)—

(a) the statement of accounts together with any certificate or opinion, entered by the local auditor in accordance with section 20(2) of the Act;

(b) the annual governance statement approved in accordance with regulation 6(2); and

(c) the narrative statement prepared in accordance with regulation 8.

(2) Where an audit of accounts has **not been** concluded before the date specified in paragraph (1) an authority **must**—

(a) publish (which must include publication on the authority’s website) as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the statement of accounts and its reasons for this; and

(b) comply with paragraph (1) as if for “but not later than **30 September** of the financial year immediately following the end of the financial year to which the statement relates” there were substituted “as soon as reasonably practicable after the receipt of any report from the auditor which contains the auditor’s final findings from the audit which is issued before the conclusion of the audit”.

1.3. The Regulations require the final financial statements to be signed off either by the full Authority or by a committee so delegated. For this Authority, this function has been delegated to the Audit & Governance Committee.

2. 2020-21 FINANCIAL STATEMENTS

- 2.1. Despite the complications that arose as a result of the Covid-19 pandemic, the Authority's 2020-21 draft financial statements were published on the website in accordance with Regulation 9(1) and the external auditor notified of this on 28 June 2021.
- 2.2. The worldwide Covid-19 pandemic has, however, impacted on the ability of the external auditors to meet the revised deadlines for the auditing of the financial statements of local authorities. Whilst the majority of the financial audit for Devon & Somerset Fire & Rescue Authority is now complete, the external auditor has indicated that it has not yet finished its Value for Money (VFM) opinion required before a certificate on the Financial Statements can be issued. Consequently, it will not be possible for this meeting to approve the final Financial Statements for publication. The Audit Findings document (included elsewhere on the agenda for this meeting) sets out at Appendix D the required audit letter explaining the reason for the delay for the purposes of compliance with the 2020 Code of Audit Protection.
- 2.3. The requirement to approve and publish the final 2020-21 financial statements before 30 September 2021 still applies, however. Consequently, an additional meeting of the Committee will be needed on 30 September 2021 to comply with the Regulations and it is recommended that the Committee agrees this date.
- 2.4. To comply with Regulation 10(2), if the external auditor is unable to provide the opinion on the VFM conclusion before 30 September 2021 to enable the Committee to approve the financial statements, the Authority must publish on its website a notice stating why the statement of accounts has not been published and the reason for this.
- 2.5. The Committee is asked to approve this additional meeting and, subject to this, to note the report.

SHAYNE SCOTT
Treasurer