

<b>Item No.</b> 7.	<b>Classification:</b> Open	<b>Date:</b> 19 July 2021	<b>Meeting Name:</b> Audit, Governance and Standards Committee
<b>Report title:</b>		Draft 2020-21 statement of accounts for Southwark council	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Finance and Governance	

## RECOMMENDATION

1. That the audit, governance and standards committee considers the draft 2020-21 statement of accounts (appendix 1).

## BACKGROUND INFORMATION

2. The publication of the statement of accounts is an essential feature of public accountability and stewardship as it provides an annual report on how the council has used the public funds for which it is responsible. The closing of accounts is also important for financial management since it confirms the availability of reserves and balances for future use.
3. The accounts are subject to external audit. The auditors, Grant Thornton, are required to satisfy themselves that the council's accounts comply with statutory requirements and that they have been compiled according to proper practices. In addition they are also required to provide an opinion as to whether the council has arrangements in place for securing economy, efficiency and effectiveness in the use of resources.
4. Under the constitution, the audit, governance and standards committee is the body that formally receives and approves the annual accounts. The audited accounts together with the external auditors' findings report on the accounts are scheduled to be presented to the audit, governance and standards committee at their meeting in September 2021, subject to the status of audit.
5. In response to the Covid-19 pandemic, the Government approved amendments to the statutory timetable for publishing and auditing the accounts.

## KEY ISSUES FOR CONSIDERATION

6. Under the 2015 regulations, the accounts are required to present a true and fair view of the financial position of the council and comply with 'proper accounting practices'. The Local Government Act specifies the Chartered Institute of Public Finance Accountants (the CIPFA) Code of Practice on local authority accounting as representing proper accounting practices for this purpose.

7. The Accounts and Audit Regulations 2015 brought forward the statutory deadline for having the draft accounts available for audit and also reduced the time available for auditors to complete their assurance work. From 2017-18 onwards, local authorities are required to approve their final audited accounts by 31 July each year. The regulations also require the draft accounts to be reviewed by the council's responsible financial officer (the Strategic Director of Finance and Governance) by 31 May, and for those accounts to be published for public inspection by no later than the first working day of June.
8. In response to the Covid-19 pandemic, the government approved an extended timetable for publishing and auditing the accounts. The Accounts and Audit (Coronavirus) (Amendment) Regulations 2021<sup>1</sup> has changed the accounting timetable for 2020-21, with the new statutory deadline for pre-audit draft accounts issue being 31 July 2021 and the final audited accounts, 30 September 2021.
9. The 2020-21 draft accounts have now been approved by the Strategic Director of Finance and Governance and were published on the council's website alongside the draft Annual Governance Statement on 8 July 2021.
10. There have been more challenging working arrangements under 'lockdown' with remote working, redirection of staff to support services directly involved on Covid-19 activities and consideration of the increased financial reporting issues arising from the pandemic. It has therefore been a considerable team effort to produce the draft accounts in advance of the statutory deadline.
11. The external audit of the draft accounts has commenced and it is currently expected that the audit will be completed by the 30 September 2021.
12. The audited accounts, together with the external auditors report, are expected to be presented to members at their September meeting for scrutiny and approval. The draft accounts are presented to members now to inform and enable early scrutiny of the key figures ahead of the September meeting.

### **Community Impact Statement**

13. This report and the accompanying accounts are not considered to have a direct impact on local people and communities. However, good financial management and reporting arrangements are important to the delivery of local services and to the achievement of outcomes.

### **Resource implications**

14. There are no direct resource implications in this report.

---

<sup>1</sup> <https://www.legislation.gov.uk/uksi/2021/263/made>

## Consultation

15. Consultation on the draft statement of accounts is carried out through formal public inspection. The accounts will be available for public inspection from Friday 9 July 2021 until Friday 20 August 2021.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

16. None required.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Finance and Governance files	Finance and Governance, Second Floor, Tooley Street	Rob Woollatt 07984 581401 Jade Cheung 07592 115556

## APPENDICES

No.	Title
Appendix 1	Draft 2020-21 statement of accounts for Southwark council

## AUDIT TRAIL

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Jade Cheung, Accountant Rob Woollatt, Interim Departmental Finance Manager	
<b>Version</b>	Final	
<b>Dated</b>	8 July 2021	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Democracy	No	N/A
Strategic Director of Finance and Governance	N/A	N/A
<b>Cabinet Member</b>	N/A	N/A
<b>Date final report sent to Constitutional Team</b>	9 July 2021	