



AUDIT & GOVERNANCE COMMITTEE

Monday, 28 June 2021

Subject	Draft Statement of Accounts 2020/21
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officers	Brian Mew Chief Finance Officer and Section 151 Officer Brian.mew@eastsoffolk.gov.uk (01394) 444571 Lorraine Rogers Finance Manager and Deputy Section 151 Officer Lorraine.rogers@eastsoffolk.gov.uk (01502) 523667

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

To present the draft Statement of Accounts 2020/21 to the Committee for review and comment prior to publication.

Options:

There is no requirement for the draft Statement of Accounts to be presented to the Committee, but this is considered to be a useful opportunity for the Committee to review and comment prior to publication.

Recommendation/s:

That the Committee review the draft Statement of Accounts 2020/21.

Corporate Impact Assessment

Governance:

The publication of the Statement of Accounts is a statutory requirement under the Accounts and Audit Regulations 2015 and the Local Audit and Accountability Act 2014. The Statement of Accounts demonstrates the Council's governance and value for money, helping to achieve the critical success factors and planned actions set out in the Strategic Plan.

ESC policies and strategies that directly apply to the proposal:

East Suffolk Council Strategic Plan

Environmental:

No impacts.

Equalities and Diversity:

No impacts.

Financial:

The financial impacts of the Council's outturn position for 2020/21 are detailed in the Statement of Accounts attached as Appendix A. Particular attention is drawn to the Narrative Report in the Statement which provides a commentary on the Council's financial and non-financial performance in 2020/21.

Cabinet on 13 July 2021 will receive a Draft Outturn report providing an overview of the Council's financial performance for 2020/21 in respect of the General Fund, the Housing Revenue Account (HRA), Reserves, the Capital Programme and the Collection Fund.

Key financial information to highlight from the Draft Outturn report includes:

- The General Fund outturn position was a surplus of £1.107m and it is proposed that this be transferred to the Transformation Reserve for projects and initiatives to support the delivery of the Strategic Plan.

- The total balance on the Council's General Fund earmarked reserves at 31 March 2021 is £73.814m. This is an increase of £27.3m on the position as of 31 March 2020. However, it should be noted that as part of the year balance on reserves, over £16m has been placed in a Covid Specific Reserve which will be drawn down from 2021/22. The General Fund balance remains at £6m.
- 2020/21 General Fund Capital Programme expenditure was £22.111m, an underspend of £5.051m, which will be mainly re-phased into 2021/22.
- HRA Capital Programme expenditure was £4.152m, and underspend of £382k.
- Net movement on the HRA was an addition to the working balance of £787k, a minor increase of £39k compared with revised budget

Human Resources:

No impacts

ICT:

No impacts.

Legal:

As referred to under Governance impact.

Risk:

No risks identified specifically in respect of this report, but a high-level summary of the Council's Corporate Risk Register is included in the Narrative Report, and key financial risks are referred to in the Statement of Accounts.

External Consultees: None

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		

P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>

How does this proposal support the priorities selected?

Production and publication of the Statement of Accounts is a statutory requirement demonstrating the Council's governance and value for money and helping to achieve the critical success factors and planned actions set out in the Strategic Plan. Providing an opportunity for the Committee to review the draft Statement enhances effective governance.

Background and Justification for Recommendation

1 Background facts

1.1	The publication of the Statement of Accounts is a statutory requirement under the Accounts and Audit Regulations 2015 and the Local Audit and Accountability Act 2014. The Council has a duty to ensure that public money is safeguarded and properly accounted for, and is used economically, efficiently and effectively.
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2 Current position

2.1	The Council's Statement of Accounts (the Accounts) for the financial year ended 31 March 2020 are the second set of Accounts for East Suffolk Council, following the merger on 1 April 2019 of Suffolk Coastal District Council and Waveney District Council. The Accounts inform readers as to the financial performance of the Council during the financial year and are an important element of demonstrating sound financial stewardship of taxpayers' money.
2.2	The deadlines for the preparation of the Accounts have once again been changed for 2020/21 and 2021/22. The Accounts and Audit (Amendment) Regulations 2021 have amended the Accounts and Audit Regulations 2015. The draft Accounts must now be published and available for inspection on or before 1 August 2021 and the timeline for the conclusion of the audit is now 30 September 2021, although this can be amended in consultation with the Council's auditors.

3 How to address current situation

3.1	The Council's Draft Statement of Accounts for 2020/21 is attached as Appendix A for review by the Committee.
3.2	The draft Accounts are subject to a single period of 30 working days for the exercise of public rights, where any objection, inspection and questioning of the local auditor must be undertaken. Following this meeting, the intention is for the unaudited Accounts to be available to the public on the Council's website from 2 July 2021, so the inspection period will commence on 5 July 2021 and finish on 13 August 2021. Following this, the audit of the Accounts by EY is currently scheduled to commence on 11 October 2021.
3.3	The principles adopted in compiling the Accounts are those recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA): <ul style="list-style-type: none">• the outcomes of internal and external review bodies that report on the Council's effective governance performance during the year;• Corporate Management Team review and assurance (Corporate Governance arrangements);• the AGS Steering Group assessment and progress monitoring; and• changes in Government policy that impact across a wide range of Council's activities.

4 Reason/s for recommendation

4.1	To provide an opportunity for the Committee to review and comment on the draft Statement of Accounts prior to publication.
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Appendices

Appendices:

Appendix A	East Suffolk Council Draft Statement of Accounts 2020/21
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Background reference papers:

Date	Type	Available From
June 2021	Final Accounts Working Papers for 2020/21	Financial Services Team