

## **Audit and Governance Committee**

A meeting of Audit and Governance Committee was held on Monday, 19th July, 2021.

**Present:** Cllr Barry Woodhouse(Chairman), Cllr Lauriane Povey(Vice-Chair), Cllr Chris Barlow, Cllr Stefan Houghton, Cllr Eileen Johnson, Cllr Mick Stoker, Cllr Laura Tunney

**Officers:** Andrew Bryson (F&BS), Rachel Harrison, Peter Bell (A,D&ES)

**Also in attendance:**

**Apologies:** Cllr Ross Patterson, Cllr Hugo Stratton, Gavin Barker (Mazars), Martin Skipsey, Andrew Barber, Derek Macdonald (F&BS)

### **AGC      Declarations of Interest**

**11/21**

### **AGC      Draft Statement of Accounts 2020/2021**

**12/21**

The Committee considered the Council's Draft Statement of Accounts 2020/2021.

The accounts had been completed in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021" which was prepared under International Financial Reporting Standards.

Members noted that regulations issued in response the Coronavirus had moved the publication date for audited accounts from 31 July to 30 September 2021 for all local authority bodies. Regulations provided more flexibility regarding the public inspection period.

It was explained that, based on the updated regulations, it was intended that following this meeting the period in which electors had the right to examine the accounts, question the auditor and to make objections at audit would be set. This was a period of 30 working days which would commence on 20th July and end on Monday 30th August 2021.

It was highlighted in the report there were some instances where the council acted as an agent and passed funds onto recipients following government criteria. Where the council acted as an agent, transactions were not reflected in the authority's financial statements.

One measure the Government put in place was to provide 100% business rates discount for the leisure and hospitality sectors. Based on estimates, an upfront payment of compensation for the cost of these reliefs was given to local authorities via a Section 31 Grant in 2020/21. Due to Collection Fund accounting rules, the additional costs of reliefs resulted in a Collection Fund deficit in 2020/21. Therefore, £16.4m of the upfront payment received in 2020/21 was set aside in reserves at year end to offset this deficit in 2021/22. This and other Covid grants resulted in an increase in reserves at 31 March 2021.

The following key financial figures (non-group) are included in the accounts:

-A surplus of £5.7 million is reported against directorate revenue budgets for 2020/21.

-Total capital spending was £28.3 million during 2020/21.

-Current long-term investments and cash and cash equivalents amount to £21.4m million. This is a decrease of £16.2 million from the previous year. This is due to the additional funding that was provided at the end of 2019/20 from the Government for Covid 19 being utilised during the 2020/21 financial year and the short-term loans entered into being repaid.

-The Council's current long and short-term borrowings total £80.0 million which is a decrease of £21.7 million over the previous year. This decrease reflects the repayment of long and short-term loans that reached maturity without the need for these to be replaced.

-The Council's earmarked reserves (excluding schools) stand at £73.9 million which is an increase of £18.7 million from the previous year. School related reserves have increased from £3.1 million to a surplus of £5.2 million.

-The level of General Fund balances at the 31st March stands at £12.9 million an increase of £5.7 million over the previous year.

-The Council's Pension Scheme deficit is estimated at £354.2 million, an increase of £41.0 million from the previous year. This results from the actuary's assessment of fund performance and the re-measurement of scheme assets and liabilities.

RESOLVED that the Draft Statement of Accounts for 2019/2020 be noted.