
REPORT TO:	Audit & Governance Committee
DATE:	9 January 2023
SERVICE AREA:	Finance
REPORTING OFFICER:	Head of Finance <i>(Graham Byrne, Financial Services Manager)</i>
SUBJECT:	Draft Unaudited Statement of Accounts 2021/22
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

- 1.1 This report sets out the Council's statutory draft unaudited Statement of Accounts for the year ended 31 March 2022.

2.0 RECOMMENDATION

- 2.1 The statutory draft unaudited Statement of Accounts at **Appendix 1** is noted.

3.0 RECOMMENDED REASON FOR DECISION

- 3.1 Under the provisions of the Accounts and Audit Regulations 2015 (as amended), a Committee or the full Council must approve the 2021/22 Statement of Accounts. The draft unaudited accounts are being presented in January in order to provide greater information to Members, prior to the final version being presented in due course.

4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 To wait until the audit is completed and to only present the final Statement of Accounts to Audit & Governance Committee for approval.

5.0 THE REPORT

- 5.1 The Audit and Governance Committee is asked to review the draft Statement of Accounts. The Committee should review the statements and satisfy itself that appropriate steps have been taken to meet statutory and recommended professional practices.
- 5.2 The Committee's review of the financial statements could include:
- Reviewing the narrative report to ensure consistency with the statements and evaluating what this means for the authority in the future.
 - Reviewing whether the narrative report is readable and understandable by a lay person.
 - Identifying the key messages from each of the financial statements and evaluating what that means for the authority in future years.
 - Monitoring trends and reviewing consistency with what is known about financial performance over the course of the year.
 - Reviewing the suitability of accounting policies and treatments.
 - Reviewing major judgemental areas eg provisions.
 - Seeking assurances that preparation are in place to facilitate the external audit.
- 5.3 The draft unaudited Statement of Accounts for 2021/22 is set out as **Appendix 1** to this report. This contains a considerable amount of information on the Council's accounts for 2021/22 and its financial position at 31 March 2022.
- 5.4 The accounts consist of a number of sections, as follows:
- The Narrative Report on pages 1 to 14, which provides some context about the Harrogate district and the Council, discusses the financial and non-financial performance in the year and looks at the challenges and opportunities facing the Council.
 - The Movement in Reserves Statement (MiRS) and Comprehensive Income and Expenditure Statement (CIES) on pages 16 to 18, and associated notes on pages 51 to 66, which show the net cost of all functions for which the Council is responsible, and how that cost has been financed from local taxpayers and from Central Government grants.
 - The Balance Sheet on page 19, and associated notes on pages 36 to 50, which sets out the financial position of the Council on 31 March 2022.
 - The Cash Flow Statement on page 20, which shows the movement in the cash position of the Council through the year.
 - The note on Accounting Policies on pages 21 to 32, which sets out the bases on which the Accounts have been prepared.
 - The Housing Revenue Account and notes on pages 67 to 71, which show income and expenditure on Council owned housing.
 - The Collection Fund statement and notes on pages 72 and 73, which show the Council's transactions as a billing authority for council tax and business rates.

- 5.5 The accounts are in the same format as the accounts for 2020/21, with no changes to the statements or notes required in 2021/22.
- 5.6 The timetable for the publication and audit of the accounts for 2021/22 was amended by the government such that the deadline for the publication of the draft accounts was set as 1 August, and the deadline for the publication of the audited accounts was set at 30 November.
- 5.7 The draft accounts were certified on 4 December, and are currently subject to audit by Mazars LLP. It has been a particularly difficult year, as the work involved in preparing for the formation of North Yorkshire Council has taken up a very significant amount of staff time. It should be noted that less than two thirds of District councils had published their draft accounts by 1 August and there are still a large number of audits outstanding, showing the scale of the challenges faced by local authorities and the audit companies alike. It is currently anticipated that the audit be completed in March 2023, although this will be a challenging deadline to meet.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

- 6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

7.0 CONCLUSIONS

- 7.1 This report presents the draft unaudited Statement of Accounts for 2021/22 and details the main changes compared to 2020/21.
- 7.2 The Statement of Accounts is currently subject to audit, and the audited version will be presented to Audit & Governance Committee for approval once the audit is complete.

Background Papers – None as defined in the Act

OFFICER CONTACT: Please contact Graham Byrne (Corporate Finance Manager) if you require any further information on the contents of this report. The officer can be contacted at Finance, PO Box 787, Harrogate, HG1 9RW; by telephone on 01423 500600 ext 58564 or by e-mail at graham.byrne@harrogate.gov.uk