



Audit & Governance Committee
18 January 2023

Statement of Accounts 2021/22

Purpose of the report:

To provide the Committee with an update on the progress of the external audit of the council's 2021/22 Statement of Accounts, to receive the external auditor's draft Audit Findings Report and to approve the signing of the Statement of Accounts and the council's letter of representation from the Deputy Chief Executive & Executive Director of Resources, on receipt of the final Audit Findings Report

Recommendations:

It is recommended that the Committee:

1. Note the contents of the Audit Findings report
2. Agree the 2021/22 Statement of Accounts, as attached in Annex A, for publication on the council's website, subject to any material changes.
3. Delegate authority to sign the Statement of Accounts and the Letter of Representation to the Deputy Chief Executive & Executive Director of Resources and the Chair of the Audit and Governance committee, subject to receipt of the final Audit Findings Reports and the identification of any material changes.
4. Note and approve the Executive Director of Resources' letter of representation, which is attached in Annex C, subject to any material changes and receipt of the final Audit Findings Report..
5. Note and approve the group letter of representation and Pension Fund letter of representation, subject to any material changes and receipt of the final Audit Findings Report.

Introduction:

6. The Executive Director of Resources has approved the statement of accounts for 2021/22 as presenting a true and fair view of the county council's financial position as at the 31 March 2022 and its income and expenditure for the year. The accounts are attached at Annex A to this report.
7. At the last Committee meeting on 28 November 2022, members heard that the external auditors had substantially completed their audit of County Council's 2021/22 Statement of Accounts.

8. The Committee heard that the most significant audit area still to be resolved was in relation to a national issue regarding the accounting for infrastructure assets.
9. This report sets out the current position on the audit. Whilst there is some work in key areas still in progress, as at the date of writing the report there are no material changes to the reported Total Comprehensive Income and Expenditure. There are currently no matters of which the auditors are aware that would require modification of the audit opinion or material changes to the financial statements.
10. The auditor has provided a commentary and recommendations on the statement of accounts in their Audit Findings Report (attached as Annex B).
11. Areas outstanding at the time of writing the report are listed in page 5 of the Audit Findings Report. Some of the items outstanding require final review and sign off. Most of the audit work has been completed, although some final queries remain that are yet to be fully responded to. Both the Council and the External Auditors are working to resolve all outstanding items by the end of January 2023.
12. The auditor anticipates issuing an unqualified opinion on the financial statements.

The Statement of Accounts 2021/22

13. The Audit Findings Report summarises the findings of the 2021/22 audit. It includes the messages arising from the audit of the statement of accounts and the results of the external auditor's work undertaken to assess the council's arrangements to secure value for money in the use of resources.
14. The external auditor's draft 2021/22 findings report is presented in Annex B and sets out a summary of the work carried out during the audit of the accounts, the conclusions reached and recommendations.
15. The audit findings report has identified a number of adjustments to the draft financial statements. Amendments to the financial statements from the audit work to date are set out in Annex B of the Audit Findings Report (pages 37-40). The Draft Statement of Accounts have been amended in line with these adjustments and the revised statements are attached as Annex A.

Conclusions:

16. The progress on the external audit of the 2021/22 statement of accounts as well as the 2021/22 Audit Findings report and Statement of Accounts are presented to this Committee for noting.
17. The Committee is asked to note the progress on the external audit of the 2021/22 Statement of Accounts.
18. The Committee are requested to approve the signing of the accounts by both the Chair of this Committee and the Deputy Chief Executive & Executive

Director of Resources (s151 Officer) on receipt of the final Audit Findings Report from Grant Thornton, subject to there being no material changes identified.

- 19. If material changes are required then a further report will be brought to a future meeting of this Committee.

Financial and value for money implications

- 20. There are no direct financial implications of this report, all financial implications in the accounts have been made in line with the Code of Practice.

Equalities and Diversity Implications

- 21. There are no direct equalities implications of this report.

Risk Management Implications

- 22. There are no direct risk management implications of this report.

Next steps:

- 23. Grant Thornton and Council officers will continue to clear the outstanding audit items. Delegated authority has been requested, subject to any material changes, to enable the Statement of Accounts to be published as soon as the external audit has been completed.

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Sources/background papers:

The Code of Practice on Local Authority Accounting in the United Kingdom 2021/2
CIPFA

Annex A Statement of Accounts

Annex B Audit Findings report

Annex C Surrey County Council Group Letter of Representation

Annex D Pension Fund Letter of Representation

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