

This report is a public report	
2021/22 Final Audit Results Report	
Committee	Accounts, Audit and Risk Committee
Date of Committee	20 March 2024
Portfolio Holder presenting the report	Councillor Adam Nell, Finance Portfolio Holder
Date Portfolio Holder agreed report	06 March 2024
Report of	Assistant Director of Finance (S151)

Purpose of report

To ask the Committee to note the final audit results and annual report of the council's external auditors in relation to the 2021/22 statement of accounts. To also note the final Letter of Representation and the final 2020/21 Statement of Accounts.

1. Recommendations

The meeting is recommended:

- 1.1 Note the final 2021/22 Audit Results Report (Appendix 1).
- 1.2 Note the final 2021/22 Annual Audit Report of the External Auditor (Appendix 2)
- 1.3 Note the final Letter of Representation (Appendix 3)
- 1.4 Note the final Statement of Accounts for 2021/22 (Appendix 4)

2. Executive Summary

- 2.1 The overall conclusion of the 2021/22 audit has resulted in an unqualified audit opinion, meaning that the accounts provide a "true and fair view" of the financial position of the Council as at 31 March 2022. The audit also concluded that the Council has proper arrangements in place to secure value for money in its use of resources.
- 2.2 The Chairman of the Accounts Audit and Risk Committee and the S151 Officer were granted delegated authority by the Committee at its meeting in September 2023 to sign the accounts and the final Letter of Representation. They did so on 7 March 2024. Any further changes between the draft and final statements than those reported in September 2023 were to be reported back to the Committee. The small additional changes to the final statement are listed below in section 4.4.

Implications & Impact Assessments

Implications	Commentary
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Finance	<p>There are no financial implications arising directly from this report.</p> <p>Comments checked by: Alex Rycroft, Strategic Finance Business Partner – Technical & Transformation, 01295 221541, Alex.Rycroft@cherwell-dc.gov.uk</p> <p>07/03/2024</p>
Legal	<p>There are no financial implications arising directly from this report.</p> <p>Comments checked by: Shiraz Sheikh, Assistant Director Law and Governance and Democratic Services (MO), 01295 221651, shiraz.sheikh@cherwell-dc.gov.uk</p> <p>07/03/2024</p>
Risk Management	<p>There are no risk management implications arising directly from this report.</p> <p>Comments checked by: Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556, Celia.Prado-Teeling@cherwell-dc.gov.uk</p> <p>07/03/2024</p>

Supporting Information

3. Background

3.1 The Committee received a draft of the 2021/22 letter of representation at its meeting in September 2023 along with the proposed amendments to the 2021/22 Statements which were published in draft 21 July 2022. The Committee received a draft Audit Results Report from the external auditors in January 2024 that summarised the findings of the audit at that stage. The external auditors have now produced their 2021/22 Final Audit Results Report and Value for Money assessment in their Annual Report. These set out the overall conclusion of the audit and the provisional Audit Fee for 2021/22 which will be funded from within existing budgets.

4. Details

4.1 The final Audit Results Report has been included at Appendix 1. Amendments since the draft report was noted by the Committee in January 2024 have been made in blue text. The Committee should note in particular the additions to the Audit Differences section on page 8 of the report and the Assessment of Control Environment on page 36.

4.2 Audit Differences

- Corrected Adjustments now includes the revised Pensions liability figure following the triennial valuation and a slight change to the overstatement of Banbury Bus Station. Both of these were reflected in the revised main statements presented to the committee in September 2023.
- Uncorrected adjustments now include an amount within the Group Accounts which should have been written out on consolidation, but which would not change the overall group balance sheet position.
- Presentational amendments to disclosure notes which do not impact on the main statements, but which will provide the reader with a more accurate picture.

4.3 Assessment of Control Environment

This section of the report comments on items of internal control which the auditors observed during their audit work. The auditors have made recommendations for how the council can improve the controls in these areas. The Management Responses found on pages 38-41 demonstrate that, as the issues raised had already been identified by the council before the audit, significant progress has already been made on addressing these issues.

4.3 The Annual Report of the external auditors (Appendix 2) brings together all of the auditor's work over the year. A core element of the report is the commentary on value for money (VFM) arrangements, which aims to draw to the attention of the council, or the wider public, relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

4.4 The annual report concludes that the council:

- had proper arrangements in place in 2021/22 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.
- had proper arrangements in place in 2021/22 to enable it to make informed decisions and properly manage its risks.
- had proper arrangements in place in 2021/22 to enable it to use information about its costs and performance to improve the way it manages and delivers services.

4.4 The final Letter of Representation included at Appendix 3 has not materially changed since the draft was noted by the committee in September 2023. It now includes the final list of unadjusted errors (as found in the Audit Results Report at Appendix 1) which were deemed immaterial, and therefore not corrected in the final statement, but which exceed the auditors' reporting threshold.

4.4 Since the Committee noted the changes to the main statements between draft and final listed in the report to its September meeting, there has been one further change that is reflected in the final statement of accounts at Appendix 4.

4.5 This change is to correct part of the adjustments required for the reclassification of investment property to property plant and equipment reported to the September

meeting. The final adjustment corrects the lines on which movements on valuation of assets are recognised within the Comprehensive Income and Expenditure Statement and a rounding adjustment. The impact on net expenditure in the Comprehensive Income and Expenditure Statement (CIES) is shown in table 1 below.

Table 1: Changes to CIES since update reported in September 2023

	Net Expenditure as previously reported £m	Changes £m	Net Expenditure per final Statement of Accounts £m
Adults and Housing Services	3.682		3.682
Comm Dev Assets and Invests	43.187	6,661	49.848
Cust and Org Dev & Resources	7.920		7.920
Environment & Place	21.288		21.288
Public Health and Wellbeing	2,907		2.907
Cost of Services	78.984	6.661	85.645
Other Operating Expenditure	4.617		4.617
Financing and Investment (Income) and Expenditure	(0.672)	0.001	(0.671)
Taxation and Non-specific Grant (income)	(51.441)		(51.441)
(Surplus) or Deficit on Provision of Services	31.488	6.662	38.150
(Surplus) or deficit on revaluation of Property, Plant and Equipment	(4.180)	(6.664)	(10.844)
Remeasurement of the net defined benefit liability / (asset)	(21.388)		(21.388)
Other Comprehensive (Income) and expenditure	(25.568)	(6.664)	(32.232)
Total Comprehensive (Income) and expenditure	5.920	(0.002)	5.918

5 Conclusion and Reasons for Recommendations

5.1 The Committee should be aware of the auditor's final opinions following the outcome of the audit and the final Statement of Accounts for 2021/22.

Document Information

Appendices	
Appendix 1	Final Audit Results Report 2021/22
Appendix 2	Final Letter of Representation 2021/22

Appendix 3	Annual Report of the External Auditor 2021/22
Appendix 4	Final Statement of Accounts 2021/22
Background Papers	None
Reference Papers	<ul style="list-style-type: none"> • Statement of Accounts 2021/22 report to AARC September 2023 • External Audit – Draft Audit Results Report 2021/22 report to AARC January 2024
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