



# Statement of Accounts 2020/21 (Draft subject to Audit)

---

Governance and Audit Committee

28<sup>th</sup> July 2021

# Purpose & Content

- » Present the Council's draft Statement of Accounts for the 2020/21 financial year
- » Provide a brief overview of the Accounts including the key headline figures & links to Revenue and Capital Budget Monitoring reports
- » Explain some of the key impacts of the Pandemic
- » Advise of any changes to the Accounts for 2020/21
- » Advise of the key timelines and next steps

# Purpose and Background of the Accounts

- » Provide clear information to all interested parties about the Council's finances.
  
- » Information includes:
  - » Costs of providing services in the year of account
  - » How those costs have been funded
  - » Assets and liabilities at year end
  
- » Prescribed format and style to enable comparisons with other local authorities and other organisations.
  
- » Aimed at 'the Reader'.

# Contents and Overview of the Accounts

- » Narrative Report
- » Statement of Responsibilities
- » Core Statements
- » Notes to the Core Statements
- » Housing Revenue Account (HRA) Statements and Notes
- » Statement of Accounting Policies
- » Group Accounts
- » Independent Auditor's Report
- » Annual Governance Statement

# Responsibility for the Accounts

- » **Statement does not belong to Finance** - Corporate document – “owned” by every Member and officer of the Council.
  
- » **Statement of Responsibilities**
  - » Authority
  - » Chief Finance Officer
  
- » **Statement of Accounts is signed by:**
  - » Chair of the Governance and Audit Committee
  - » Chief Finance Officer

# Links to Budget Monitoring

## » **Statement of Accounts**

- » Financial Accounting
- » Externally focused reporting
- » Style reflective of the Code of Practice, Regulations, and Accounting Standards

## » **Budget Monitoring**

- » Management Accounting
- » Internally focused reporting on performance against budget
- » Style reflects the Council's reporting needs – locally determined

# Impact of COVID-19

- » The accounts reflect the impact of a financial year in which the Council was continually responding to the pandemic, with reference made to the known financial impacts throughout the document.
- » The potential impact has been considered by the Actuary in their valuation of the Council's pension fund deficit. The most significant risk is around the accuracy of asset valuations (given time constraints involved).
- » The impacts on property valuations was recognised however due to the nature of the assets, they are not considered to be particularly adversely affected by the pandemic.

# COVID-19 – Emergency Grant Funding

- » Throughout this financial year the Council has received significant grants to help fund the response and recovery phases of the pandemic. A summary of some of the key grants are detailed below:

<b>Hardship Fund</b>	<b>£17.443m</b>
Included within the Council's Comprehensive Income and Expenditure Statement	£14.747m
Represents various schemes where the Council has acted as an agent on behalf of a third party. Examples include claiming for lost income on behalf of partner organisations such as Aura Leisure and Libraries and NEWydd Catering and Cleaning	£ 2.696m

# COVID-19 – Emergency Grant Funding

<b>Business Support</b>	
Business Support Grants	£53.073m
Business Support – Business Start Up Grant	£ 0.233m
Business Support – Cultural Recovery Fund – Freelancer Support	£ 0.533m

<b>Other Grants</b>	
Bus Emergency Service – Flintshire proportion of regional funding	£1.528m
Test, Trace, Protect – Flintshire proportion of regional scheme	£0.945m
Local Authority Education Grant – Accelerated Learning	£2.751m
Additional Learning Needs – COVID Grant	£0.457m

# Headlines – Council Fund (Revenue)

- » Expenditure at outturn was £288.132m, with total financing at outturn of £290.317m.
- » The resulted in a net underspend at the end of the financial year totalled £2.185m – Equates to 0.8% of net budget (marginally above target PI range of 0.5%).
- » Further information in Revenue Budget Monitoring 2020/21 (Outturn) report to Cabinet 13th July 2021.

# Headlines – Revenue Reserves

Revenue Reserves	2019/20 £m	2020/21 £m
Council Fund (Unearmarked)	11,025	14,061
Earmarked	13,181	17,536
Schools	112	6,902
HRA	2,889	6,908
<b>Total</b>	<b>27,207</b>	<b>45,407</b>

# Headlines – Capital

	<b>Budget £m</b>	<b>Outturn £m</b>	<b>Over / (Under) Spend £m</b>	<b>Budget v Outturn %</b>
Council Fund	49.208	45.887	(3.321)	93%
HRA	17.028	17.028	0.000	100%
<b>Total</b>	<b>66.236</b>	<b>62.915</b>	<b>(3.321)</b>	<b>95%</b>

# Headlines – Housing Revenue Account

» Revised budget	£36.951m
» Spend above budget	£0.521m
» Income above budget	£0.521m
» Net spend above budget	£0.000m
» Closing balance as at 31.3.2021 (General and specific HRA reserves)	£6.908m
» % of revised budgeted expenditure	18.7%

# Changes to the SofA for 2020/21

- » No significant changes made to 2020/21 Statement of Accounts.
- » Only very minor amendments made to Accounting Policies.
- » Delay in introduction of IFRS 16 until April 2022 – this will have a potentially significant impact.

# Accounts Governance Group

- » Group of senior officers established to oversee and support the production of the Statement of Accounts at a strategic level.
- » Group has been very effective, resulting in positive benefits including:
  - » Ability to raise issues for escalation and resolution at an early stage
  - » Raising awareness of, and increasing collective responsibility for, the Statement of Accounts
- » Group will continue to meet through the audit period with Audit Wales representation.

# Timeline and Next Steps

CFO approved draft accounts	15 <sup>th</sup> June
Audit Committee considers draft accounts (approval not required at this stage)	28 <sup>th</sup> July
External audit commenced	5 <sup>th</sup> July
Accounts Available for Public Inspection	20 <sup>th</sup> July
External audit findings and opinion reported to Governance and Audit Committee	8 <sup>th</sup> September
Final audited Accounts approved by Governance and Audit Committee	8 <sup>th</sup> September
Accounts signed by Auditor General	By 15 <sup>th</sup> September
Audited Accounts published	By 15 <sup>th</sup> September