

**Open Report on behalf of Andrew Crookham (Executive Director of Resources)**

Report to:	<b>Audit Committee</b>
Date:	<b>12 July 2021</b>
Subject:	<b>Draft Statement of Accounts 2020/21</b>

**Summary:**

The draft Statement of Accounts for Lincolnshire County Council for the financial year 2020/21 is attached to this report (Appendix A).

The final Statement of Accounts for 2020/21 will be presented to the Audit Committee on 27 September 2021 for approval following the external audit process.

**Actions Required:**

Members of the Audit Committee are asked to scrutinise and comment on the draft Statement of Accounts 2020/21.

**1. Background**

1.1 The County Council prepares its annual Statement of Accounts in line with the proper accounting practices required by section 21(2) of the Local Government Act 2003 and set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

1.2 In addition to this guidance the County Council's accounts are prepared using the accounting policies set out in note 44 on pages 121 to 153, and in note 3 on pages 155 to 156 of the accounts. The accounting policies are the principles, bases, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are reflected in the Statement of Accounts. These policies are reviewed annually to ensure they remain current and were reported to this committee at its meeting on 19 March 2021.

1.3 The Statement of Accounts 2020/21 provides a summary of the Council's financial transactions in the year, and a "snapshot" of the Council's financial position as at 31 March 2021. It is therefore a key document for the Council and Councillors, with their responsibility for corporate governance, are asked to scrutinise these accounts and comment on them.

1.4 Councillors may wish to initially focus on the Narrative Report within the Statement of Accounts 2020/21 on pages 7 to 26. The purpose of this Narrative Report is to provide an overview of the Council's financial health and performance, and it highlights the most significant areas of financial activity in the year for both the Council and the Lincolnshire Pension Fund. It also provides an outlook on the future challenges which the Council may face and the plans for

mitigating future risks. The Narrative Report includes a summary of the financial impact of the coronavirus pandemic on the Council i.e. additional funding of more than £112m over 2019/20 and 2020/21 with the majority of this sum spent in 2020/21 on supporting the pandemic response and its impacts.

1.5 The Lincolnshire Pension Fund accounts are included within the Statement of Accounts 2020/21 and contain all 31 March valuation information received by the Fund to the end of June. However, at this date there were a significant number of unquoted holdings where the final 31 March valuation has not been received. All 31 March valuations received for these funds, after 30 June, and in advance of the deadline for publishing audited accounts (30 September) will be reviewed and incorporated into the accounts if considered material, either individually or collectively. Therefore the accounts included in the final version of the audited Statement of Accounts may differ to those presented today and if they do, any changes will be highlighted to the Audit Committee.

1.6 A separate report on the Council's financial performance compared to the approved budget was considered by the Overview and Scrutiny Management Board on 1 July 2021 and presented to the Executive on 6 July 2021. Any recommendations arising from this in terms of the treatment and use of over and under spends will be considered by full Council on 17 September 2021.

1.7 The audit of the Statement of Accounts 2020/21 by Mazars LLP is underway, and the final audited accounts will be presented to the Audit Committee on 27 September 2021. At the same meeting, the auditors will present their report on the outcomes of the audit.

## **2. Conclusion**

2.1 This Committee's scrutiny and comments of the draft accounts will be reflected in the final Statement of Accounts 2020/21 report which will be presented to this committee on 27 September 2021.

## **3. Consultation**

### **a) Risks and Impact Analysis**

N/A

## **4. Appendices**

These are listed below and attached at the back of the report	
Appendix A	Draft Statement of Accounts 2020/21

## **5. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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