



Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Audit Committee
Date:	11 July 2022
Subject:	Draft Statement of Accounts 2021/22

Summary:

The draft Statement of Accounts for Lincolnshire County Council for the financial year 2021/22 is attached to this report at Appendix A.

The final Statement of Accounts for 2021/22 will be presented to the Audit Committee on 14 November 2022 for approval following the external audit process. An update on progress will be presented to the Audit Committee on 26 September 2022.

Actions Required:

Members of the Audit Committee are asked to scrutinise and comment on the draft Statement of Accounts 2021/22.

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 2021/22.
- 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 125 to 158, and in note 3 on pages 167 to 172 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 28 March 2022.
- 1.3 The Statement of Accounts 2021/22 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 2022. 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 2021/22 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.
- 1.5 The Lincolnshire Pension Fund accounts are included within the Statement of Accounts 2021/22. The pension fund holds unquoted assets, such as private equity, infrastructure and unquoted alternatives, valuations for these assets often take a number of months to be prepared and received by the Fund. Initial 31 March valuations are based on audited accounts from earlier periods (such as 31 December) rolled forward for cashflow movements. This approach is allowed by the Code. All 31 March valuations received in advance of the deadline for publishing audited accounts (30 November) 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 30 June 2022 and presented to the Executive on 5 July 2022. Any recommendations arising from this in terms of the treatment and use of over and under spends will be considered by full Council on 16 September 2022.
- 1.7 The audit of the Statement of Accounts 2021/22 by Mazars LLP starts today, and the final audited accounts will be presented to the Audit Committee on 14 November 2022. 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 2021/22 report which will be presented to this committee on 14 November 2022.

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 2021/22

5. Background Papers

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

This report was written by Michelle Grady, who can be contacted on 01522 553235 or michelle.grady@lincolnshire.gov.uk.

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