



Audit Panel

Report title: Statement of Accounts 2021/22 and Annual Report 2021/22

Date: 06 December 2022

Key decision: No.

Class: Part 1

Ward(s) affected: All

Contributors: Executive Director of Corporate Resources

Outline and recommendations

The purpose of this report is to:

- Note the draft Statement of Accounts and Pension Fund Accounts 2021/22 and the agreed audit adjustments.
- Approve the Management Representation Letters.
- Provide an update on the recommendations to the Draft Audit Findings Report 2021/22 and follow up of 2020/21.
- Provide an update on the recommendations to the Auditor's Annual Report (VfM) 2021/22 and follow up of 2020/21.
- Recommend delegation to the Chair of the Audit Panel, in conjunction with the Section 151 Officer, to agree the final reports for submission to Full Council.

Lateness: This report was not available for the original despatch date as officers were delayed by the ongoing audit queries and the need to incorporate the latest audit changes into the documents now being submitted.

Urgency: It is important for the Audit Panel to take the report now as it will enable the audited accounts to be approved by Full Council on 18 January 2022.

Where a report is received less than 5 clear days before the date of the meeting at which the matter is being considered, then under the Local Government Act 1972 Section 100(b)(4) the Chair of the Committee can take the matter as a matter of urgency if she is satisfied that there are special circumstances requiring it to be treated as a matter of urgency. These special circumstances have to be specified in the minutes of the meeting.

1. Summary

- 1.1. The purpose of this report is to provide an update to the members of the Audit Panel on 2021/22 Statement of Accounts and statutory external audit processes.
- 1.2. The report also provides members with the management action responses to the auditor recommendations made as part of the 2021/22 external audit as well as those included within the Auditor's Annual (Value for Money) report.

2. Recommendations

- 2.1. The Audit Panel is recommended to note the contents of the report, approve the management representation letters and approve delegation to the Chair of the Audit Panel, in conjunction with the Section 151 Officer, to agree the final reports for submission to Full Council.

3. Policy Context

- 3.1. The report is consistent with the Council's policy framework, supporting the priorities set out in the Corporate Strategy 2022-26. It contributes towards all Council priorities through effective management of finance.

4. 2021/22 Statement of Accounts and Pension Fund Accounts

- 4.1. The statutory deadline for publishing the audited accounts 2021/22 is 30 November 2022. Due to a national issue relating to the recognition of infrastructure assets and carrying out the final elements of the audit work, this deadline cannot be met. A notification of delay of publication has been published on the Council's website in line with regulations.
- 4.2. The draft Audit Findings Report 2021/22 lists the agreed audit adjustments to be made to the draft Accounts before publication of the final audited versions. This includes adjustments in relation to Council Tax, Non Domestic Rates, Section 31 grants, capital and pension fund transfers. There are also amendments to be made on the narrative elements of the accounts. There is no impact on the Council's 2021/22 outturn.
- 4.3. The draft Statement of Accounts and Pension Fund Accounts are included in Appendices A and B.
- 4.4. The anticipated audit opinion is that the accounts give a true and fair view of the financial position of the group, Authority and Pension Fund during 2021/22 and have been properly prepared.

5. Management Representation Letters

- 5.1. Management Representation Letters for the Statement of Accounts and Pension Fund Accounts 2021/22 are included in Appendices C and D.
- 5.2. These set out assurances to confirm the Council's view that relevant accounting standards have been complied with and gives further assurances that Council has disclosed information where to withhold it would have undermined the accuracy and reliability of the Accounts.

6. Draft Audit Findings Report Action Plan

- 6.1. The draft Audit Findings Report for London Borough of Lewisham and Lewisham Pension Fund for the year ended 31 March 2022, includes an action plan. This consists of five recommendations for the Council as a result of issues identified during the course of the 2021/22 audit. These are yet to be reviewed and agreed by

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management.

- 6.2. The report also included a follow up of prior year recommendations. A number have now been closed off and five remain.
- 6.3. The recommendations, once accepted by management, will be added to the action tracker for progress with their implementation to be reported on as part of the Audit Panel standing agenda item These recommendations are included within Appendix E.

7. Auditor's Annual Report Action Plan

- 7.1. The Auditor's Annual Report (VFM) for the year ended 31 March 2022, includes an action plan. This consists of seven recommendations for the Council following their review of the Council's arrangements for securing economy, efficiency and effectiveness.
- 7.2. The recommendations, which are accepted by management, will be added to the action tracker for progress with their implementation to be reported on as part of the Audit Panel standing agenda item. This is included within Appendix F.
- 7.3. The report also included a follow up of prior year recommendations. A number have now been closed off and five remain. These are included within Appendix G.

8. Financial implications

- 8.1. There are no financial implications directly arising from this report.

9. Legal implications

- 9.1. There are no legal implications directly arising from this report.

10. Equalities implications

- 10.1. There are no equalities implications directly arising from this report.

11. Climate change and environmental implications

- 11.1. There are no climate change and environmental implications directly arising from this report.

12. Crime and disorder implications

- 12.1. There are no crime and disorder implications directly arising from this report.

13. Health and wellbeing implications

- 13.1. There are no health and wellbeing implications directly arising from this report.

14. Report authors and contact

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15. Appendices

- 15.1. Appendix A – Draft LB Lewisham Statement of Accounts 2021-22
- 15.2. Appendix B – Draft LB Lewisham Pension Fund Accounts 2021-22
- 15.3. Appendix C – Draft LB Lewisham Group Management Representation Letter 2021-22

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- 15.4. Appendix D – Draft LB Lewisham Pension Fund Management Representation Letter 2021-22
- 15.5. Appendix E – Draft Audit Findings Report 2021/22 & 2020/21 Action Plan Recommendations
- 15.6. Appendix F - Auditor's Annual Report (VfM) Recommendations 2021/22
- 15.7. Appendix G - Auditor's Annual Report (VfM) Recommendations 2020/21

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