

9. STATEMENT OF ACCOUNTS 2020/21 (JW)

Purpose of the Report

1. To seek approval for the audited Statement of Accounts for 2020/21.

Recommendations

2. **1. That the audited Statement of Accounts for 2020/21 as attached at Appendix 1 be approved and that the amendments made to the draft accounts itemised in Appendix 2 be noted.**

How does this contribute to our policies and legal obligations?

3. The Accounts and Audit Regulations 2015 Section 9 requires the Statement of Accounts to be approved by Members by 31st July of each year, however for financial years 2020/21 and 2021/22 this has been extended to 30 September 2021. The draft accounts were authorised for issue by the Chief Finance Officer on the 29th July, and were available on the website from that day.

However, it has not been possible for our External Auditors Mazars to meet the 30th September 2021 deadline and as such Mazars has issued an Audit Letter to the Authority confirming that the audit would now be completed before 30 December 2021 in adherence to the 2020 Code of Audit Practice (Appendix 3). The accounts were audited in August and September, and this report has been prepared on the strength of current audit findings and could be subject to further updates before final sign off from External Audit. Any changes will be tabled at committee as appropriate.

4. Section 9 (3) a of the Accounts and Audit Regulations 2015 also requires “that the responsible financial officer for a Category 1 authority must re-confirm on behalf of that Authority that they are satisfied that the statement of accounts presents a true and fair view of—
(a) the financial position of the authority at the end of the financial year to which it relates;
and
(b) that authority’s income and expenditure for that financial year.”

The Chief Finance Officer re-confirms that the Statement of Accounts in Appendix 1 meets the above requirement.

Proposals

5. The draft position on over and under spending was reported to the Authority Meeting on the 21st May 2021 (Minute number 35/21), the final audited accounts include the following changes that became apparent during the closure of the accounts. It is necessary for the outturn to be approved before the final outcome of the audit is known, therefore there is always the potential that the outturn figures will change during the course of the audit.

Reserve	May Outturn	Final Accounts	Variance plus (minus)	Comments
General Reserve	300,706	221,690	(79,016)	Charge for the movement of cycles from inventories to fixed assets
Capital Reserve	880,555	876,755	(3,800)	Sale of vehicle in 2019/20 used to fund vehicles in 2020/21
Specific Reserves	5,647,579	5,455,389	(192,190)	-£106k reduction in resilience reserve as underspend was lower due to Capital charges to revenue completed after outturn draft. -£125k reduction in slippage reserve, capital budget slippage request in error. +£39k correction to matched funding reserve for South West Peak.
Restricted Funds	49,931	49,931	0	
Total	6,878,771	6,603,765	(275,006)	

Audit of the Accounts

6. The audit has been completed and the Audit Completion Report (ACR) is a separate agenda item. Appendix 2 of this report lists the amendments made to the draft Accounts following audit recommendations, and these amendments have all been incorporated into the final version. Any final amendments required in order to allow the auditors to issue their opinion, will be updated as required.
7. The Authority holds a significant quantity of cycles to facilitate the cycle hire operation. These cycles have been held as inventories (stocks) in previous financial years. The external auditors felt that this was not the correct accounting treatment, therefore it has been necessary to move them from inventories on the balance sheet to a group of fixed assets. The accounting treatment of the purchase of inventories is different to that of fixed assets in that the costs of inventories are charged to the cycle hire service when the individual cycles are sold, however fixed assets have to be charged when they are purchased. Therefore, the cycles have cost the cycle hire service £79k in 2020/21.
8. On 11th October 2021, the external auditors made it known that the pension values for the Authority had changed as a result of the audit of the Derbyshire Pension Fund. The Authority is part of the Derbyshire Pension Fund administered by Derbyshire County Council. The values included within the Statement of Accounts are wholly supplied by Hyman's the Actuary.

There was a 0.43% change in the asset values for 2020/21 between the information supplied to the actuary and the updated valuations in the revised Derbyshire Pension Fund Accounts. For most Local Authorities who are members of the Derbyshire Pension Fund the change is not material, however for the Peak District National Park Authority the difference is large enough to require updated valuation figure from the actuary. The updated report was received on 22nd October 2021 and has shown a change of £184k in the asset values. This is below materiality and therefore the Statement of Accounts has not been changed for this value.

Are there any corporate implications members should be concerned about?

9. **Financial:**

The financial position was explained in the outturn report to the Authority on the 21st May 2021 (Minute number 35/21) and the Statement of Accounts contains explanations and commentary as required by the Code of Accounting Practice. The final adjustments to reserves do not affect any of the advice or conclusions reached in the outturn report.

10. **Risk Management:** The external audit process is an integral part of the Statement of Accounts process and is a risk-based process. This mitigates the risks of material misstatements in the Statement of Accounts.

11. **Sustainability:** Not applicable

12. **Equality:** Not applicable

13. **Climate Change:** Not applicable

14. **Background Papers** (not previously published): None

15. **Appendices:**

Appendix 1 – Statement of Accounts for Financial Year 1 April 2020 to 31 March 2021

Appendix 2 – Amendments to Draft Accounts

Appendix 3 – Audit Letter from Mazars dated 23 September 2021

16. **Report Author, Job Title and Publication Date**

Justine Wells, Head of Finance and Chief Finance Officer, 3 November 2021