



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

12th JANUARY 2023

REPORT OF THE CHIEF FINANCE OFFICER – Huw Jones

Matter for Information

Wards Affected – All wards

Closure of Accounts 2021/22

Purpose of the Report

The purpose of this report is to consider and approve the 2021/22 Statement of Accounts following completion of the external audit.

Background

The Council's financial year ends on 31st March and following this date, the exercise starts to complete the annual outturn and the statutory statement of accounts.

The Council prepares its revenue and capital position which provides financial information reflecting the structure and operations of the Council. A draft statement of accounts is also prepared to comply with the current Accounting Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Accounts and Audit (Wales) regulations requires the responsible financial officer to sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the authority by 31 May 2022 and following this certification that published audited statement of accounts should be completed by 31 July 2022.

However, Welsh Government recognised that as the pandemic continued there has been an ongoing impact on local authority staff and resources and authorities may wish to prepare their accounts to an extended deadline of 30 November 2022. The Accounts and Audit (Wales) Regulations 2014 makes provision for an authority having to delay preparing and publishing their annual financial accounts. By virtue of regulation 10(4) authorities are able to include a note on websites to say why they have prepared or published their accounts within existing deadlines to comply with legislation.

Closure of Accounts 2021/22

Neath Port Talbot's Draft Statement of Accounts were signed and certified by the Chief Finance Officer on 30 May 2022, the Council elected to work within the extended deadlines for completion of the Audited Statement of Accounts and as such advertised this on the website. During November 2022 the audit was almost fully complete but sign off was delayed due to an ongoing nationwide issue identified in relation to the accounting for infrastructure assets. Technical consultations by CIPFA LASAAC were undertaken and due to the complexity of the issue a short term override to all local authority accounts from 2021-22 to 2024/25 has been necessary in order to avoid wide-spread qualification of local authority accounts. As such we have taken advantage of this temporary relief and included reduced disclosure notes in relation to infrastructure assets.

Any items identified by the auditors having a need to be corrected within the statements have been undertaken details of which were summarised in the auditors ISA 260 report. The most significant adjustments made to the accounts have been in the valuations of fixed assets, due to rising building costs and market pressures an exercise to revalue some assets outside of their five year revaluation cycle was required to reflect more accurate accounting valuations. This has resulted in increase in a £19.233m Property Plant and Equipment held in the balance sheet.

For 2021/22 audit members should note that once again Audit Wales are issuing an unqualified audit opinion.

Annual Governance Statement

Members should note the Annual Governance Statement was approved by Cabinet on 29 June 2022. A copy can be found in appendix 3.

Financial Impact

All financial impacts are contained within the body of the report.

Integrated Impact Assessment

There is no requirement for an integrated impact assessment in respect of this item.

Valleys Communities Impacts

There are no impacts in respect of this item.

Workforce impacts

There are no workforce impacts in respect of this item.

Legal Impacts

There are no legal impacts in respect of this item.

Risk Management

There are no risk management issues in respect of this item.

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendations

It is recommended that Members of the Governance and Audit Committee:

- Approve the Letter of representation, included in Appendix 1.
- Approve the final 2021/22 Statement of Accounts as included in Appendix 2.
- Approve the Annual Governance Statement included in Appendix 3
- The Chair of Governance and Audit Committee be authorised to provide their electronic signature for both the Letter of Representation and the Statement of Accounts.

Appendix

Appendix 1 - Letter of Representation 2021/2022

Appendix 2 - Statement of Accounts 2021/2022

Appendix 3 - Annual Governance Statement 2021/2022

Background Papers

Outturn / Closing working papers 2021/22.

Officer Contact

For further information on this report item, please contact:

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