

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer - Resources****Council – 21 December 2022**

Subject: Audited Financial Statements 2021/22**1. Purpose**

- 1.1 The purpose of this report is to provide Members with the opportunity to scrutinise the Audited Annual Accounts 2021/22 for both the Council and the Charities administered by the Council, following approval at the Audit Committee on 9 November 2022.

2. Recommendations

- 2.1 Members are requested to:
- (a) note the information provided within the Audited Annual Accounts 2021/2022 - covering the Council and the Charities administered by the Council - as appended to this report; and
 - (b) Note that the Statements were approved by the Audit Committee on 9 November 2022.

3. Background

- 3.1 The Council's draft unaudited Annual Accounts (including the Group Accounts) for 2021/22 were reported to Council on 29 August 2022 and passed to the Accounts Commission before the statutory deadline on 30 June 2022.
- 3.2 The report submitted to the August 2022 Council identified a draft position of an unearmarked General Service reserve of £3.496m and provided Members with information as to variances for the year. The draft unearmarked position for the Housing Revenue Account reserve was £0.940m.
- 3.3 The Charitable Trusts' draft, unaudited accounts for 2021/22 were also reported to August 2022 Council.
- 3.5 Following current statutory deadlines, the Audited Annual Accounts 2021/2022 - covering the Council and the Charities administered by the Council – require to be approved by Council before 30 November 2022.

4. Main Issues

- 4.1 The audits of the Annual Accounts for both the Council and the Council-administered Charities have now been completed. The Council has received Annual Audit Report to Members and Controller of Audit which is elsewhere on the agenda to this meeting. The audited Annual Accounts for

the Council and the Council-administered Charitable Trusts are appended to this report for consideration and approval.

The Council's Accounts

- 4.2** A number of presentational and monetary adjustments were identified within the draft Annual Accounts during the course of the audit, some of which resulted in the audited accounts for 2020/21 requiring to be restated (incorporate the impact of misclassification of assets and to correct errors in depreciation calculations; the removal of additional internal recharges and amendments between creditors and debtors). The necessary changes to the main statements in 2020/21 are detailed within Note 2 of the accounts (pages 63 and 64 within the Statements).
- 4.3** In 2021/22 the changes between draft and final resulted in the balance sheet movement as noted below. These adjustments did not affect the usable reserves positions of the Council.

	Draft 31 March 2022 £000	Audited 31 March 2022 £000	Change £000
Long Term Assets	1,148,987	1,054,610	(94,377)
Current Assets	79,723	76,404	(3,319)
Current Liabilities	(352,731)	(349,509)	3,222
Long Term Liabilities	(454,383)	(454,383)	0
Total	421,596	327,122	(94,474)

- 4.4** Although the overall Council's usable reserves did not change, the General Services earmarked reserves was amended and resulted in a net increase in the Council's General Fund free reserve balance of £0.007m. Further detail on the updated General Fund position is noted below:

	General Services			HRA		
	Free Reserve	Earmarked Reserve	Total Reserve	Free Reserve	Earmarked Reserve	Total Reserve
	£000	£000	£000	£000	£000	£000
Draft Financial Statements	3,496	11,524	15,020	940	1,794	2,734
Unearmark - Historic Abuse Cases	150	(150)	0	0	0	0
Earmark - further covid funds	(143)	143	0	0	0	0
Audited Financial Statements	3,503	11,517	15,020	940	1,794	2,734

- 4.5** I am pleased to report that a clean audit opinion has been given in relation to these Accounts.
- 4.6** The management commentary on pages 2 to 24 of the Annual Accounts summarises the major matters contained within the document and provides an explanation of the Council's financial position as at 31 March 2022. In particular:
- 4.7** On pages 26 to 32 of the accounts is the Annual Governance Statement. This Statement provides assurance that the Council has in place a sound system of governance control. The Governance Statement identifies a number of areas where officers have identified improvements can be made.

Charitable Trusts' Accounts

- 4.8** I am pleased to report that a clean audit opinion has been given in relation to these Accounts.
- 4.9** Page 8 of the Accounts details the Statement of Balances and highlights a decrease in the balances held from £0.280m as at 31 March 2021 to £0.263m as at 31 March 2022.

5. Option Appraisal

- 5.1** No option appraisal was required for this report.

6. People Implications

- 6.1** There are no people implications.

7. Financial and Procurement Implications

- 7.1** Other than as described above there are no financial or procurement implications.

8. Risk Analysis

- 8.1** No risk analysis was required.

9. Equalities Impact Assessment (EIA)

- 9.1** No equalities impact was required in relation to the preparation of this report.

10. Consultation

- 10.1** The views of relevant officers were requested on this report and the appendices and view were taken on board.

11. Strategic Assessment

11.1 The report is in relation to a statutory function. As such, it does not directly affect any of the strategic priorities.

.....
Laurence Slavin
Chief Officer - Resources
Date: 21 December 2022

- Person to Contact:** Laurence Slavin, Chief Officer - Resources, Church Street, Dumbarton
E-mail: Laurence.Slavin@west-dunbarton.gov.uk
- Appendices:**
1. Audited Annual Accounts 2021/22 – West Dunbartonshire Council; and
 2. Audited Annual Accounts 2021/22 – Charitable Trust Funds.
- Background Papers:** Report to Council of 31 August 2022: Draft Annual Accounts 2021/22
Minute: Audit Committee – 9 November 2022
- Wards Affected:** All