



Statement of Accounts 2021/22 (Draft subject to Audit)

Governance and Audit Committee

27th July 2022

Purpose & Content

- » Present the Council's draft Statement of Accounts for the 2021/22 financial year
- » Provide a brief overview of the Accounts including the key headline figures & links to Revenue and Capital Budget Monitoring reports
- » Explain some of the key issues and impacts of the Pandemic
- » Advise of any changes to the Accounts for 2021/22
- » Advise of the key timelines and next steps

Purpose and Background of the Accounts

- » Provide clear information to all interested parties about the Council's finances.

- » Information includes:
 - » Costs of providing services in the year of account
 - » How those costs have been funded
 - » Assets and liabilities at year end

- » Prescribed format and style to enable comparisons with other local authorities and other organisations.

- » Aimed at 'the Reader'.

Contents and Overview of the Accounts

- » Narrative Report
- » Statement of Responsibilities
- » Core Statements
- » Notes to the Core Statements
- » Housing Revenue Account (HRA) Statements and Notes
- » Statement of Accounting Policies
- » Group Accounts
- » Independent Auditor's Report
- » Annual Governance Statement

Responsibility for the Accounts

- » **Statement does not belong to Finance** - Corporate document – “owned” by every Member and officer of the Council.

- » **Statement of Responsibilities**
 - » Authority
 - » Chief Finance Officer

- » **Statement of Accounts is signed by:**
 - » Chair of the Governance and Audit Committee
 - » Chief Finance Officer

Links to Budget Monitoring

» **Statement of Accounts**

- » Financial Accounting
- » Externally focused reporting
- » Style reflective of the Code of Practice, Regulations, and Accounting Standards

» **Budget Monitoring**

- » Management Accounting
- » Internally focused reporting on performance against budget
- » Style reflects the Council's reporting needs – locally determined

Changes to the SofA for 2021/22

- » No significant changes made to 2021/22 Statement of Accounts.
- » Only very minor amendments made to Accounting Policies.
- » Delay in introduction of IFRS 16 until April 2024 – this will have a potentially significant impact.

Key Issues and Impacts

- » The accounts again reflect the impact of a financial year in which the Council was continually responding to the pandemic, with reference made to the known financial impacts throughout the document.

- » Due to the current economic climate and the increase in construction costs, it is possible that these assets could be underestimated in the accounts, so work may be needed to review these valuations in 2022/23.

COVID-19 – Emergency Grant Funding

- » Throughout this financial year the Council has received significant grants to help fund the response and recovery phases of the pandemic. A summary of some of the key grants are detailed below:

Hardship Fund	£15.454m
Included within the Council's Comprehensive Income and Expenditure Statement	£10.350m
Represents various schemes where the Council has acted as an agent on behalf of a third party. Examples include claiming for lost income on behalf of partner organisations such as Aura Leisure and Libraries and NEWydd Catering and Cleaning	£5.104m

COVID-19 – Emergency Grant Funding

Business Support	
Business Support Grants	£3.648m
Business Support – Economic Resilience Fund	£0.763m
Business Support – Cultural Recovery Fund – Freelancer Support	£0.068m
Other Grants	
Bus Emergency Service – Flintshire proportion of regional funding	£0.388m
Test, Trace, Protect – Flintshire proportion of regional scheme	£2.154m
Local Authority Education Grant – Accelerated Learning	£3.185m
Additional Learning Needs – COVID Grant	£0.467m
Social Care Recovery Fund	£2.772m

Headlines – Council Fund (Revenue)

- » Expenditure at outturn was £295.306m, with total financing at outturn of £301.017m.
- » The resulted in a net underspend at the end of the financial year totalled £5.711m – Equates to 1.9% of net budget (marginally above target PI range of 0.5%).
- » Further information in Revenue Budget Monitoring 2021/22 (Outturn) report to Cabinet 12th July 2022.

Headlines – Council Fund (Revenue)

- » Significant positive variances include:
 - » £2.189m - funding for winter pressures and social care
 - » £0.365m - financial assistance, through the hardship fund, for the Councils in-house care services
 - » £0.411m – additional education grants and in year efficiencies
 - » £0.418m - variance due to higher than anticipated planning fee income
 - » £0.413m – surplus on Council Tax Collection Fund and claim for fee income loss to WG for Council Tax and bailiff fees
 - » £0.885m – over recovery of planned pension contributions and favourable variance on fixed electricity rates
 - » £0.508m – Additional income for within both CPM and Design Services and income from new industrial unit lease

Headlines – Revenue Reserves

Revenue Reserves	2020/21 £m	2021/22 £m
Council Fund (Unearmarked)	14,061	18,438
Earmarked	17,536	24,896
Schools	6,902	12,292
HRA	6,908	5,238
Total	45,407	60,864

Revenue Reserves – Significant Movements

» **Council Fund - Unearmarked**

- » Increase due to the in year underspend of £5.711m, netted down by the contribution towards the 2021/22 pay award (£1.250m) and use of funding towards severe weather impacts (£0.250m)

» **Council Fund - Earmarked**

- » £2.832m – Additional RSG funding
- » £1.150m – Cost of living discretionary fund
- » £0.407m - Increase in COVID Council Tax collection fund
- » £0.507m – WG Priorities Grant
- » £0.591m – School HwB ICT infrastructure and replacement
- » £1.000m – Increase in service balances for delivery of schemes next year

Headlines – Capital

	Budget £m	Outturn £m	Over / (Under) Spend £m	Budget v Outturn %
Council Fund	47.587	44.052	(3.535)	93%
HRA	23.855	23.855	0.000	100%
Total	71.442	67.907	(3.535)	95%

Headlines – Housing Revenue Account

» Revised budget	£37.534m
» Spend above budget	£0.060m
» Income above budget	£0.060m
» Net spend above budget	£0.000m
» Closing balance as at 31.3.2022 (General and specific HRA reserves)	£5.238m
» % of revised budgeted expenditure	13.9%

Accounts Governance Group

- » Group of senior officers established to oversee and support the production of the Statement of Accounts at a strategic level.
- » Group has been very effective, resulting in positive benefits including:
 - » Ability to raise issues for escalation and resolution at an early stage
 - » Raising awareness of, and increasing collective responsibility for, the Statement of Accounts
- » Group will continue to meet through the audit period with Audit Wales representation.

Timeline and Next Steps

CFO approved draft accounts	4 th July
Governance and Audit Committee considers draft accounts (approval not required at this stage)	27 th July
External audit commenced	6 th July
Accounts Available for Public Inspection	2 nd August
External audit findings and opinion reported to Governance and Audit Committee	28 th September
Final audited Accounts approved by Governance and Audit Committee	28 th September
Accounts signed by Auditor General	By 30 th September
Audited Accounts published	By 30 th September