

Report to:	AUDIT COMMITTEE
Relevant Officer:	Steve Thompson, Director of Resources
Date of Meeting	27 July 2023

EXTERNAL AUDITOR’S REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) AND STATEMENT OF ACCOUNTS 2020/2021

1.0 Purpose of the report:

1.1 To consider Deloitte’s Governance Report and the audited Statement of Accounts for 2020/2021

2.0 Recommendation(s):

2.1 To consider the External Auditor’s Report to those charged with Governance (ISA 260) for 2020/2021.

2.2 To consider the audited Statement of Accounts for 2020/2021.

3.0 Reasons for recommendation(s):

3.1 To enable the Committee to approve the Statement of Accounts to ensure compliance with the Accounts and Audit Regulations (England) Regulations 2015.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council’s approved budget? Yes

3.3 Other alternative options to be considered:

None, as the Committee is required to approve the Statement of Accounts.

4.0 Council Priority:

4.1 The relevant Council Priority is: The economy - maximising growth and opportunity across Blackpool.

5.0 Background Information

5.1 At its meeting on 11 November 2021 the Committee approved the 2020/2021 Statement of

Accounts subject to no material changes. However, in January 2022 a local authority external auditor raised the issue of how local authorities account for infrastructure assets. Local authority external auditors were advised not to certify any accounts until the matter had been resolved.

- 5.2 The issue raised by auditors was in relation to the de-recognition (removal of carrying amount) of parts of infrastructure assets when replacement expenditure is undertaken. There are also related issues for the reporting of gross historic cost and accumulated depreciation.

Following a consultation by CIPFA during Spring/Summer 2022 a temporary solution was approved by Parliament in late November 2022. The Local Authority (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 SI 1232/2022 – new regulation 30M (3) provides that where a local authority replaces a component of an infrastructure asset, the authority has a choice how to identify the carrying amount to be de-recognised in respect of that component.

New regulation 30M applies to statement of accounts for the years beginning on or before 1 April 2024 and to those statement of accounts that have not already been certified by the auditor. The regulation will remain in place until 31 March 2025.

- 5.3 The 2020/2021 Statement of Accounts have been amended and are included at Appendix 5(a).
- 5.4 Once the governance report has been considered and the management representation letter has been signed by the Director of Resources, it is expected that the Auditor will finalise their statements in order that the final audited accounts can be published.

Does the information submitted include any exempt information? No

List of Appendices:

Appendix 5(a) - Statement of Accounts 2020/2021
Appendix 5(b) - External Auditor's Report ISA 260 2020/2021

6.0 Financial considerations:

- 6.1 None

7.0 Legal considerations:

- 7.1 None

8.0 Risk management considerations:

- 8.1 None

9.0 Equalities considerations:

9.1 None

10.0 Sustainability, climate change and environmental considerations:

10.1 None

11.0 Internal/ External Consultation undertaken:

11.1 None

12.0 Background papers:

12.1 None