

London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 23/11/2022

Subject: Statement of Accounts 2020/21, including Pension Funding Accounts and Annual Governance Statement

Report of: Craig Tucker, Finance Manager (Corporate Accountancy)

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

This report presents the revised London Borough of Hammersmith & Fulham's 2020/21 Statement of Accounts, and the Audit Findings Report, following further audit work.

RECOMMENDATIONS

1. To note the revised Statement of Accounts for 2020/21, (Appendix 1).
 2. To note that the accounts remain 'unaudited' until final sign-off by the external auditor.
 3. To note the content of the external auditor's revised 'Audit Findings Report' (ISA260), including the auditor's findings, recommendations and the Council's response to those recommendations (Appendix 2).
 4. To approve the 2020/21 management representation letters (Appendices 3 and 4)
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Wards Affected: All

H&F Values

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	The Statement of Accounts details the authority's financial activity for the year and forms the cornerstone of fiscal responsibility and control together with the attainment of value for money.

Financial Impact

This report presents the annual accounts for approval and is wholly of a finance nature.

Craig Tucker, Interim Finance Manager – Corporate Accountancy

Legal Implications

There are no direct legal implications in relation to this report. The accounts are prepared and audited in accordance with The Accounts and Audit Regulations 2015 (as amended). In accordance with the Accounts and Audit Regulations 2015 (as amended), the Council's audited year end Statement of Accounts must be approved by the Audit Committee.

Angela Hogan, Chief Solicitor (Contracts and Procurement)

Background Papers Used in Preparing This Report

None.

Statement of Accounts 2020/21

1. The revised 2020/21 Statement of Accounts, for approval by the Audit and Pensions Committee, is attached at Appendix 1.
2. These accounts were presented to the Committee on the 15 March 2022 and were approved. The Audit Findings Report identified a number of issues that were still outstanding, and these have now been addressed.
3. There was an adjustment of £4m between debtors and creditors following the identification of one error following further audit work in this area. No other numbers in the statements have changed. There were a few other minor disclosure amendments made in the notes to the accounts.
4. There is still a national issue relating to the valuation of infrastructure assets. This is due to be resolved via a statutory override, but this is unlikely to be before January 2023. Until then the audit opinion cannot be signed.
5. It should be noted that the accounts remain 'unaudited' until the audit opinion is formally signed and dated by GT and the audit remains open until final certification. The accounts are therefore subject to change until that point. The Committee will be updated on the progress of the audit at its meeting in March 2023. In the event of any further changes, it is requested that these be approved by the Chair of the Committee, in consultation with the Director of Finance; and any significant changes will be notified to Committee.

Report to those charged with governance (ISA260)

6. The external auditor is required to prepare a Report to those Charged with Governance (ISA260). This report summarises the findings and recommendations associated with this year's audit in respect of the Financial Statements.
7. This report is attached (at Appendix 2) and will also be presented to the Committee by the auditor.
8. The auditor also asks the Committee and management for written representations about the financial statements and governance arrangements. To that end, Members are asked to consider and approve the draft letters of representation (Appendices 3 and 4).

Reason for decision

9. The Audit Committee is required to approve the Council's audited year-end Statement of Accounts in accordance with the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021.

LIST OF APPENDICES:

Appendix 1 – London Borough of Hammersmith and Fulham Annual Statement of Accounts 2020/21 (including Pension Fund)

Appendix 2 – Grant Thornton UK LLP Audit Findings Report (ISA260) (Main Financial Statements and LBHF Pension Fund)

Appendix 3 – Draft Letter of Representation 2020/21 – LBHF Main Accounts

Appendix 4 – Draft Letter of Representation 2020/21 – Pension Fund