



## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Audit Committee 25 August 2021

Wards affected: All

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### UNAUDITED STATEMENT OF ACCOUNTS 2020/21

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#### Report of Section 151 Officer

##### 1. Purpose of report

- 1.1 To present to the Audit Committee the draft Financial Statement 2020/21 that are subject to external audit.

##### 2. Recommendation

- 2.1 The report is noted.

##### 3. Background to the report

- 3.1 In accordance with Accounts and Audit regulations, draft Financial Statements have to be signed off by the Council's Responsible Finance Officer (S151 Officer) by the 31<sup>st</sup> July and be ready for public inspection on or before the 1<sup>st</sup> August 2021. The attached unaudited statements were published on the 30<sup>th</sup> July 2021, and were made available for public inspection. The accounts become available for public inspection from that date for a period of 30 days in which they can inspect or raise objections to items in the accounts. The statements have also been supplied to our External Auditor (Ernst & Young) for them to complete their audit and report back to the Audit Committee
- 3.2 Following the conclusion of the period for the exercise of public rights the Head of Finance as the Responsible Finance Officer is required, on behalf of the authority, to re-confirm that they are satisfied that the Statement of Accounts presents a 'true and fair' view. The authority must then consider the Statement of Accounts, which at HBBC is the responsibility of the Audit Committee on behalf of the Council. At that meeting the Audit Committee will need approve the accounts by a resolution of that committee and ensure that they are signed and dated by the person presiding at the committee as chair at which that approval is given. The Unaudited accounts are presented to help in the process. The final audited accounts have to be approved by the Audit Committee

before the end of September 2021, or when the audit is completed and an opinion given by our External Auditors, if later.

- 3.3 The main elements of the Financial Statements are noted below with a brief narrative explanation of their purpose

<b>Section of Accounts</b>	<b>What it covers</b>
<b>Comprehensive Income and Expenditure Statement (CIES)</b>	The CIES covers the sources of all income received and the cost of providing services in the year based on applicable accounting standards and CIPFA requirements.
<b>Movement in Reserves Statement (MiRS)</b>	The MiRS shows the movement in the year on the various reserves held by the Council.
<b>Expenditure &amp; Funding Analysis</b>	This is a reconciliation between management's internal reporting and the CIES, which is based on the requirements of accounting standards as interpreted for the public sector.
<b>Balance Sheet</b>	The Balance sheet gives the value of the Council's assets and liabilities at the financial year-end.
<b>Cash Flow Statement</b>	The cash flow statement discloses movements in cash flows of the authority during the financial year.
<b>Notes to the financial statements</b>	These include a summary of significant accounting policies that guide our basis for the way items are accounted for in the financial statements.
<b>Supplementary Statements: Housing Revenue Accounts, and Collection Fund</b>	These are the Housing Revenue Account (HRA) and Collection Fund. The HRA covers the income from housing activities and Council's expenditure on Council housing. The Collection Fund gives level of business rates and council tax that the Council has to collect, not only for itself, but also for precepting authorities in Leicestershire.
<b>Annual Governance Statement</b>	The Council has approved and adopted a code of corporate governance. The Annual Governance Statement provides a summary of how the Council has reviewed compliance with this code.

- 3.4 There are no major format changes or Accounting Policies changes in the year, however member should note additional balances due to the Coronavirus. These items have be processed in line with statutory regulations and cannot be used to fund normal service expenditure
- 3.5 These movements can be summarised into 2 categories. Items that have been set aside in reserves and balance sheet movements.

## Items Set Aside in Reserves

<b>Description</b>	<b>Value £000</b>	<b>Reserve</b>
<b>Coronavirus Funding (Primary Business Support where payments cross financial years)</b>	2,795	Unapplied Grants
<b>Items relating to future collection fund deficits and Council Tax Support</b>	4,027	Earmarked Reserve
<b>Total</b>	6,822	

## Items set aside in the Balance Sheet (All Coronavirus related)

<b>Grants (Council acting as an Agent)</b>	<b>Balance Sheet 31.3.21 (balance) £000</b>	<b>Amount Already Paid £000</b>
<b>Small Business Leisure &amp; Hospitality</b>	745	21,095
<b>Local Restrictions Support Grant</b>	710	1,312
<b>Closed Business Grant</b>	3,061	5,083
<b>Total</b>	4,516	27,490

#### **4. Exemptions in accordance with the Access to Information procedure rules**

4.1 This report can be taken in open session

#### **5. Financial implications IB**

5.1 Contained within the body of the report.

#### **6. Legal implications MR**

6.1 None.

#### **7. Corporate Plan implications**

7.1 Adoption of the proposal in this paper will contribute to the achievement of the following Corporate Aim of Empowering communities.

#### **8. Consultation**

8.1 None.

## **9. Risk implications**

- 9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 There is no immediate risk to the Council, however, early consideration by the Council of its preferred approach will enable detailed planning to take place so as to achieve successful transition to the new arrangement in a timely and efficient manner.

## **10. Knowing your community – equality and rural implications**

- 10.1 The Financial Statements and the audit process will allow local communities and groups to review the financial performance and stewardship of the Council.

## **11. Climate implications**

- 11.1 The Financial statements can be used as a mechanism for the reporting of the council impact on climate change via sustainability reporting. The public sector as a whole currently lags well behind the private sector in such reporting. Action would be needed to introduce this non-financial element to the financial statements to report to members and local residents how the council was performing against its declared climate emergency targets.

## **12. Corporate implications**

- 12.1 By submitting this report, the report author has taken the following into account:
- Community safety implications
  - Environmental implications
  - ICT implications
  - Asset management implications
  - Procurement implications
  - Human resources implications
  - Planning implications
  - Data protection implications
  - Voluntary sector

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Background papers: Unaudited Statement of Accounts  
Contact officer: Ilyas Bham  
Executive member: Councillor D.Cope