

Report to	BRECON BEACONS NATIONAL PARK AUTHORITY
Date	20 July 2022
By	S151 Officer
Title of Report	Draft Statement of Accounts 2021/22
Item 9	For Information

Recommended decision: That Members note the contents of the attached Draft Statement

1. Introduction

- 1.1. The 2021/2 draft Statement of Accounts, produced in accordance with International Financial Reporting Standards, as interpreted by CIPFA, and the Accounts and Audit (Wales) Regulations, will be published on the Authority's website on August 8th.
- 1.2. The statutory deadline for accounts approval would normally be 31 July 2021 but in recognition of the impact of Covid19, this has been deferred until the autumn, to allow authorities and Audit Wales additional time to complete the accounts and audit process.
- 1.3. The unsigned draft is presented here to the Committee to provide the earliest opportunity to consider the document. Audit Wales are intending to carry out the accounts audit in September. The audited statement will require approval by the authority in the autumn at a date to be confirmed on conclusion of the audit and then published in its final version.
- 1.4. CIPFA Accounting Standards - impact on the presentation of the Authority's draft income and expenditure and balance sheet.
- 1.5. The Accounting Standards are applied across all private and public sector bodies with the aim of increasing the comparability and consistency of accounts internationally and between sectors. The body which sets the standards for local authority accounting in the UK (The Chartered Institute of Public Finance and Accountancy, CIPFA) effectively prescribes the format in which authorities must produce the accounts and, although National Park Authorities are much smaller bodies, they are required to follow the same format and timetable for production and audit.
- 1.6. In some instances, the Regulations require a different accounting treatment from that specified in the Standards and, where this is the case, adjustments have been made and explained in the Statement as required by CIPFA.

2. Statement of Accounts Approval Process

- 2.1. The draft Statement of Accounts will be signed by the Chief Financial Officer (Section 151 Officer) for website publication by August 8th and a copy will be sent to Audit Wales. Members of the public are entitled to examine the accounts and supporting information on request and discuss any aspect of the Statement with the Auditor.
 - 2.2. Audit Wales will undertake the audit in September and October. The Statement, revised as necessary, will be approved by the Auditor General for Wales by 30/11/22 and the audited Statement will be presented to the Authority for approval. The response of the Chief Executive and Chair of Audit and Risk Committee to the letter from Wales Audit 'Audit enquiries to those charged with governance and management' will also be presented.
3. Main Content of the Statement
 - 3.1. The contents of the Statement of Accounts is listed on page 2 of the document. The Annual Governance Statement is currently not included.
4. The Narrative Report
 - 4.1. This part of the Statement gives an overview of year, the authority's financial context, significant developments and their impact. The Income and Expenditure section (p 4-7) provides a summary comparison with last year and an explanation of the main variances from budget.
5. Comprehensive Income and Expenditure Statement (CIEs)
 - 5.1. This statement is supported by Note 1 (p 26), a reconciliation of the funding and accounting bases applied and by Notes 6, 7 and 8 (p 31). The statement shows restated amounts for the 2020/21 comparatives to align with the restructured services implemented in 2021/22. Note 10 (p.32) gives a subjective analysis (employee and other operating costs) of the CIES content.
6. The Balance Sheet (B/S)
 - 6.1. Notes 14 -17 (p42-46) set out the movement in long term assets for both years, the valuation basis for land and property assets and an analysis of the sources of funding for 2021/22 additions. Note 29 starting on p.52 provides extensive information on the pension costs and liability included in the CIES and the B/S respectively. It reflects the actuary's report for the year and explains the reasons for the significant change in the authority's obligation as shown in the accounts.

7. The Statement of Movements in Reserves (MIRS)

7.1. This statement gives an analysis of the movements in the B/S reserves figures for both years. It distinguishes between usable reserves which represent cash funds held by the Authority and unusable reserves, which are created for accounting purposes only. Notes 12 and 13 (p. 36-41) provide more detailed information on Earmarked Reserves, their purpose and source; and on Unusable Reserves.

8. The Cash Flow Statement (CFS)

8.1. Note 21 (p.47-48) supports this statement.

9. Conclusion

9.1. The Statement of Accounts is one of the ways in which the Authority demonstrates good financial management and provides accountability for the way in which it has used the public funds entrusted to it. The audit process is designed to ensure that the public can have confidence in the quality of the Statement of Accounts and to minimize the risk that the financial position of the Authority has been materially mis-stated.