

**Committee Name and Date of Committee Meeting**

Audit Committee – 14 March 2023

**Report Title**

Closure of the Accounts 2022/23 – Timetable

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide or

**Report Summary**

The principal objective of the Council's annual financial statements is to make the Council accountable to a range of local and national stakeholders over the stewardship of its resources.

It is therefore important that the Council's financial statements are prepared in accordance with recognised accounting standards so that they can be relied upon by users of the accounts.

This report brings to Members attention the Council's timetable for the production of the financial statements, that Members of the Audit Committee, as the body in the Council charged with governance, will need to formally approve the audited Statement of Accounts by the 30<sup>th</sup> September, based on the revised regulations which have now been implemented for 6 years (2022/23 to 2027/28).

## **Recommendations**

1. Audit Committee is asked to note the timetable for the production of the Council's financial statements.

## **List of Appendices Included**

### **Background Papers**

CIPFA Code of Practice on Local Authority Accounting 2022/23

Accounts and Audit Regulations 2015

The Accounts and Audit (Amendment) Regulations 2022

### **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

### **Council Approval Required**

No

### **Exempt from the Press and Public**

No

## **Closure of the Accounts 2022/23**

### **1. Background**

- 1.1 The Code of Practice on Local Authority Accounting (the Code) together with the Accounts and Audit Regulations set the accounting and statutory framework for local authority financial reporting.
- 1.2 The Code is based on internationally recognised accounting standards (International Financial Reporting Standards (IFRS)). These form the basis for large private sector companies financial reporting. However, the funding of Local Government by central government and local tax payers is in some key aspects very different from that under IFRS. This makes local authority financial statements complex and difficult to interpret due to the need to reconcile the Council's financial performance and financial position under IFRS with that under the arrangements for funding local government.
- 1.3 Members will recall that following the Covid 19 outbreak March 2020 that the requirement for the production of the Statement of Accounts was delayed initially for 2019/210 and then for the financial years 2020/21 and 2021/22. The Accounts and Audit (Amendment) Regulations 2021 (SI no 2021/263) came into force on 31<sup>st</sup> March 2021 and extended the publication of the Statement of Accounts for the two financial years (2020/21 and 2021/22). Subsequently the Accounts and Audit (Amendment) Regulation 2022 came into force on 22<sup>nd</sup> July 2022. These amended regulations extended the publication of final audited accounts to 30<sup>th</sup> November for 2021/22 accounts and require the draft accounts for 2022/23 to be published by the 31<sup>st</sup> May and final audited accounts by the 30<sup>th</sup> September. These regulations also require Authorities to publish a notice on their website if they fail to publish their draft accounts by 1<sup>st</sup> August.
- 1.4 In the production of the Councils accounts for 2021/22, the Council met the requirements of both these deadlines, having a draft set of accounts published by the end of July and a final set of accounts published by the end of November. Due to a national issue with Local Authority approaches to infrastructure assets Grant Thornton were unable to provide an unqualified opinion on the statement of accounts at this point. A Statutory Override for the treatment of infrastructure assets came into force in December 2022. The override allows LA's using the override to not make any prior year adjustments, or revisit opening balances until a workable future proof solution is in place. Grant Thornton subsequently confirmed an unqualified audit opinion in January 2023.

### **2. Key Issues**

#### **Timetable**

- 2.1 Based on the amended deadlines, the key dates on the timetable for the production of the accounts 2022/23 are as shown below.

## Statement of Accounts Timetable - Amended Dates

Action	Amended Date
Interim audit of the Councils accounts	TBC by Grant Thornton
Unaudited accounts, Narrative Report & Annual Governance Statement presented to Audit Committee and then published by: (Will be presented to Audit Committee on 07 June 2023)	31 May 2023
Public Inspection of Draft Accounts	1 June to 10 June 2023
External Audit of the Councils Accounts	June to September 2023
Audited accounts, Narrative Report & Annual Governance Statement presented to Audit Committee and then published by: (Will be presented to Audit Committee on 26 September 2023)	30 September 2023
Councils Value for Money audit completed by:	TBC by Grant Thornton

2.2 At present the Council's external auditor Grant Thornton has not confirmed their audit plan for the Councils 2022/23 accounts. However, they did indicate as part of the review process for the 2021/22 accounts that they expected to be able to meet the statutory deadlines in auditing the Councils accounts for 2022/23.

### 3. Options considered and recommended proposal

3.1 There is no discretion on whether to comply with the Code or the Accounts and Audit Regulations. The purpose of the recommendations is simply for Audit Committee to note the timetable for the production of the accounts in 2022/23.

### 4. Consultation on proposal

4.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the financial statements being prepared.

## **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The statutory deadline for publishing the unaudited financial statements is 31<sup>st</sup> May, with the statutory deadline for publishing the audited financial statements of 30<sup>th</sup> September.

## **6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)**

- 6.1 There are no financial or procurement implications directly associated with closure of the accounts, other than the impact on the audit fee of having good quality financial statements and supporting working papers which meet Grant Thornton's expectations.

## **7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)**

- 7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015 and the revised Regulations that come into force on the 22<sup>nd</sup> July 2022.

## **8. Human Resources Advice and Implications**

- 8.1 There are no Human Resource implications arising from the report.

## **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 There are no implications arising from this report to Equalities and Human Rights.

## **11. Implications for Partners**

- 11.1 The NHS requires information on how the pooled budgets operated under the Better Care Fund have been spent to an earlier timetable than that of the Council. Arrangements have been made to ensure this earlier timetable is met. There are no other implications arising from this report to Partners.

## **12. Risks and Mitigation**

- 12.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

## **13. Accountable Officer(s)**

Judith Badger (Strategic Director of Finance & Customer Services)