

Committee Name and Date of Committee Meeting

Audit Committee – 26 September 2023

Report Title

Update on Statement of Accounts 2022/23

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

Report Summary

Under the Accounts and Audit Regulations 2015, local authorities were required to publish their unaudited accounts no later than 31 May 2023, for the financial year 2022/23, accompanied by a Narrative Report and draft Annual Governance Statement. The deadline for the final publication of the Council's audited accounts is 30th September 2023.

Grant Thornton are unable to conclude the audit of the accounts by 30th September. This was confirmed to Audit Committee on 7th June as part of their Audit Plan and reflects ongoing national challenges in public sector audit services.

As such, the Council is not able to present an audited set of accounts to the Audit Committee, nor a final or draft ISA 260 report as insufficient progress has been made to date on the audit to allow for this. This report provides an update on the Draft Statement of Accounts 2022/23 and any amendments identified as part of the ongoing audit.

The external audit will continue and once that has been completed, a final audited Statement of Accounts, Narrative Report and ISA260 will be brought to Audit Committee for consideration.

At this point Grant Thornton are not able to confirm their audit opinion on the Statement of Accounts.

Grant Thornton are not able to confirm their audit opinion in respect of the Council's value for money arrangements.

Recommendations

1. Note the progress on the audit of the Statement of Accounts 2022/23
2. Note that the audited Statement of Accounts, Narrative Report and ISA260 will be brought to a future Audit Committee for review once Grant Thornton have completed their audit work.

List of Appendices Included

None

Background Papers

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/23
Accounts and Audit Regulations 2015
Audit Committee meeting – 14 March 2023

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 At the Audit Committee meeting on 7th June 2023 members received Grant Thornton's Audit Plan for 2022/23 which set out the audit approach Grant Thornton planned to take to discharge their audit objectives and the risks they had identified in relation thereto. Grant Thornton indicated that they would not be able to meet the statutory deadline for publishing the audited accounts. The Audit Plan stated a target date of 30th November 2023 for the Audit Opinion.
- 1.2 In order to complete the audit process in compliance with the Accounts and Audit Regulations 2015, the Audit Committee, as the body charged with governance within the Council, is required to formally resolve that the Statement of Accounts and Narrative Report be approved for publication. The period for local electors to exercise their rights to ask questions of the auditor or to raise a formal objection that an item of account is unlawful has expired. However, as the external audit of the accounts has not been completed the Council cannot present to members an audited set of accounts with an audit opinion for consideration.
- 1.3 Should any material issues be identified as part of the ongoing external audit of the accounts, leading to a change in the accounts being required then Audit Committee will be updated on that change at the point the external audit completes and the ISA260 report is presented for consideration.

2. Key Issues

- 2.1 A number of minor amendments to the Draft Statement of Accounts have been agreed to date but none of these have any impact to the useable reserves of the Council. These will be incorporated into the final Statement of Accounts before Grant Thornton is planning to give the audit opinion.
- 2.2 At this point Grant Thornton are not able to confirm their audit opinion on the Statement of Accounts or the value for money arrangements.

3. Options considered and recommended proposal

There is no discretion on whether to comply with the Code of Practice on Local Authority Accounting or the Accounts and Audit Regulations 2015. The purpose of the recommendations is for Audit Committee to meet its responsibilities in relation to the closure of the accounts.

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 audited financial statements is 30th September 2023.

6. Financial and Procurement Advice and Implications

- 6.1 There are no financial or procurement implications directly associated with this report, other than continuing to produce good quality financial statements and supporting working papers which meet Grant Thornton's expectations and will help to minimise the audit fee.

7. Legal Advice and Implications

- 7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015.

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 CO2 Emissions and Climate Change

- 11.1 No direct implications.

12. Implications for Partners

- 12.1 There are no other implications arising from this report to Partners.

13. Risks and Mitigation

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

14. Accountable Officer(s)

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