



Statement of Accounts 2020-21, 2021-22 and 2022-23

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Lead Member/Relevant Portfolio Holder	Councillor Sarah Cox - Portfolio Holder for Corporate Finance, Property and Resources

Corporate Priority:	Ensuring the right conditions to support delivery (inward)
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 The Statement of Accounts are presented to the Committee as required by, and are prepared in accordance with, The Accounts and Audit Regulations 2015, and The Accounts and Audit (Amendment) Regulations 2024.

2 Recommendations

That Committee:

- 2.1 **Approves the Statement of Accounts for 2020-21, 2021-22 and 2022-23.**

3 Reason for Recommendations

- 3.1 The Accounts and Audit Regulations 2015 (The Regulations) and The Accounts and Audit (Amendment) Regulations 2024, require a Statement of Accounts to be produced and approved by the appropriate committee before publication.
- 3.2 The audit of the Council's accounts for the 3 years included here were not completed within the initial regulatory timeframe due to audit resource issues so notices to this end were published to the Council's website on 30 September 2021 (2020-21 Accounts), 30

November 2022 (2021-22 Accounts) and 30 September 2023 (2022-23 Accounts) as allowed for by Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015, as updated by the amendment regulations to the relevant years.

- 3.3 It is also a requirement of the regulations that the unaudited accounts have to be signed off by the Section 151 Officer and published by 31 July 2021 for the 2020-21 Accounts, 31 July 2022 for the 2021-22 Accounts and 31 May 2023 for the 2022-23 Accounts, and are available for approval for public inspection for a 30 day period. We published the unaudited accounts on 30 July 2021, 8 July 2022 and 31 May 2023 respectively, and propose to publish the final audited accounts as soon as practicable following their final approval.
- 3.4 The format of the accounts is largely governed by the Code of Practice on Local Authority Accounting in the United Kingdom (the code) guidance notes, produced for Local Authorities by the Chartered Institute of Public Finance & Accountancy (CIPFA).
- 3.5 The regulations require the person presiding at the committee at which the accounts are approved to sign and date the Statement of Accounts.

4 Background

- 4.1 The backlog in the publication of audited accounts of local authorities in England has reached an unprecedented level. This backlog undermines accountability in the sector and reduces the information available to the users of the accounts.
- 4.2 A solution of “backstop dates” has been developed by a collaboration of the organisations involved in the regulation and oversight of local body financial reporting, these organisations include CIPFA, the Financial Reporting Council (FRC), the Institute of Chartered Accountants in England and Wales (ISCEW), the Ministry of Housing, Communities and Local Government (MHCLG), the National Audit Officer (NAO) and Public Sector Audit Appointments (PSAA).
- 4.3 The first backstop date will help clear the backlog and enable a focus on the more recent accounts. Five further backstops will enable auditors to rebuild assurance over several audit cycles reducing the risk of the backlog re-emerging. Further, longer term reforms are under review, by the above organisations, to prevent the backlog reoccurring after the backstop dates cease.
- 4.4 As a result of the backstop dates hundreds of financial statements across the country will be published with “modified” opinions, which will vary depending upon the extent to which the auditor was unable to obtain evidence.
- 4.5 Local authorities should not be unfairly judged based on disclaimed or modified opinions caused by the introduction of the backstop dates that are largely beyond their control and auditors will be expected to provide clear reasoning for the issuing of such opinions, to mitigate the potential reputational risk that local authorities may face. The Council has published its draft statements within the relevant time-frame as noted in 3.3 above and provided all information to auditors as requested in a timely manner, these modified opinions are due to audit delays. Modified opinions will affect the statements in subsequent years as assurance is normally gained from the previous years unmodified opinion.
- 4.6 The statutory backstop date for the publication of the statements for 2022-23 and before is 13 December 2024.
- 4.7 The statement of accounts for 2023-24 will be brought to this committee before the next backstop date of 28 February 2025.

5 Main Considerations

- 5.1 The Statement of Accounts essentially shows the year end revenue and capital position in a prescribed format as required by the code. The external auditor's report referencing these accounts are elsewhere on this agenda along with the final Annual Governance Statement.

6 Options Considered

- 6.1 No other options considered as the report is a statutory requirement and therefore if it was not provided the Council would not be undertaking its statutory functions and could be open to legal challenge.

7 Consultation

- 7.1 The Council's external auditors have been consulted in preparing the Statement of Accounts. The public are provided with an opportunity to question the auditor on the accounts.
- 7.2 Members of the Audit and Standards Committee and specifically the chair and vice chair have been kept apprised of the progress in finalising the accounts for these years.

8 Next Steps – Implementation and Communication

- 8.1 The Statement of Accounts is a corporate document. The Statement of Accounts (subject to audit) has been advertised as available for public inspection on the website and the auditors available to answer questions. Now that the audit has been completed the audited accounts, narrative statement and Annual Governance Statement for each of the 3 years will be available on the Council's website as soon as practicable after approval and the Statement of Accounts will be available to purchase.

9 Financial Implications

- 9.1 The audit fees applicable to the attached financial statements are as yet unknown, in so far as amendments allowed by the PSAA's fee variation process, have not yet taken place. The variation of fees is allowed where the work on a particular audit were substantially more or less than envisages by the appropriate scale.
- 9.2 The council has accrued for these fees which may be finalised at a different amount.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 As set out above the legal requirements for the production, approval and publication of the Statement of Accounts for 2020-21, 2021-22 and 2022-23 are governed by the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 both of which were made under the Local Audit and Accountability Act 2014.
- 10.2 The Amendment regulations have amended the dates within the 2014 regulations by which accounts must approved and published and now require this to be completed by 13 December 2024.

Legal Implications reviewed by: Monitoring Officer.

11 Equality and Safeguarding Implications

- 11.1 There are no direct equality and safeguarding implications arising from this report.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessments has not been completed because there are no risks to the rights and freedoms of natural persons arising directly from this report.

13 Community Safety Implications

- 13.1 There are no direct community safety implications arising from this report.

14 Environmental and Climate Change Implications

- 14.1 There are no environmental or climate change implications arising from this report.

15 Other Implications (where significant)

- 15.1 There are no other implications arising from this report.

16 Risk & Mitigation

- 16.1 There is a risk that the accounts will not be signed off by the auditors as a result of errors, however every effort has been made to ensure the accuracy of the Statements.
- 16.2 The reputational risk to the Council due to the modified opinion applied to these accounts by the auditor should be mitigated by the clear reasoning given.

17 Background Papers

- 17.1 CIPFA Code

18 Appendices

- 18.1 Appendix A - Statement of Accounts 2020-21.
- 18.2 Appendix B – Narrative Statement 2020-21.
- 18.3 Appendix C - Statement of Accounts 2021-22.
- 18.4 Appendix D – Narrative Statement 2021-22.
- 18.5 Appendix E - Statement of Accounts 2022-23.
- 18.6 Appendix F – Narrative Statement 2022-23.