

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	AUDIT AND GOVERNANCE COMMITTEE	28 SEPTEMBER 2023	4
EXTERNAL AUDIT – POSITION STATEMENT 2021-22 AND 2022-23			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Finance and Resources (Councillor Ellie Gaunt).

PURPOSE OF THE REPORT

The purpose of this report is to provide the committee with a current position statement with regard to the overdue audit of the accounts for the year 2021/22 and the anticipated timescale for the audit work in respect of financial year 2022/23.

RECOVERABILITY

This decision is recoverable under section 7 of part 3 of the constitution.

RECOMMENDATION

1. The Committee is requested to note the audit timetable update provided by the Councils appointed external auditors, Deloitte LLP.

REPORT

1. The Council's Chief Financial Officer, in his capacity as the Authority's Section 151 Officer, is responsible for the preparation annually of the Authority's Statement of Accounts which are intended to present a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the relevant financial year to 31st March.
2. The statutory Statement of Accounts are prepared in accordance with applicable laws and regulations and in line with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (The Code) and within the timescale as prescribed within the appropriate Accounts and Audit Regulations.
3. The Councils appointed external auditors for the relevant financial year, currently Deloitte LLP, are then required to complete an audit of the accounts and present an opinion of the financial statements and accounts in a timely manner such as to allow for the Council to formally to approve and publish the Statement of Accounts as is required under the Accounts and Audit Regulations 2015.
4. In addition to the audit of the accounts, the external auditor is required to provide an annual Value For Money (VFM) assessment of the council by way of an annual commentary on arrangements to demonstrate that the

council “has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources”, published as part of the Auditor’s Annual Report.

- The purpose of this report is to provide the committee with a current position statement with regard to the audit of the accounts for the year 2021/22 and the anticipated timescale for the audit work in respect of financial year 2022/23.

STATEMENT OF ACCOUNTS 2021/22

- For the financial year 2021/22, the Council prepared and published the draft pre-audit Statement of Accounts on 31st July 2022 in line with the deadline.
- The target date for the external audit of those accounts was 30th November 2022, but it has not been possible for Deloitte to meet that deadline and the Statement of Accounts for that year has yet to be formally approved by this committee. The delays are as a result of resourcing challenges at Deloitte and nationwide systemic problems which are summarised in the letter from DLUCH to Chief Executives / Chief Financial Officers / Local Audit Firm Partners regarding local audit delays which is included at Appendix 1 to this report.

STATEMENT OF ACCOUNTS 2022/23

- For the financial year 2022/23, the Council prepared and published the draft pre-audit Statement of Accounts on 31st May 2023 in line with the deadline.
- The target date for the external audit of those accounts is 30th September 2023.

POSITION UPDATE AND TIMETABLE

- The Councils external auditors Deloitte LLP have provided an update on the audit work timetable for the financial years 2021/22 and 2022/23 as attached at appendix 2, which includes an update on the timescales for preparing the annual VFM assessments for those years.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

IMPLICATIONS	
Finance	There are no financial implications arising from the recommendations contained in this report.
Legal	The Council (delegated to Audit and Governance Committee) is required to approve the Statement of Accounts for 2021/22 in line with the appropriate Accounts and Audit Regulations.
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

SUMMARY OF PREVIOUS DECISIONS
There have been no previous decisions relating to the audit of the Statement of Accounts for 2021/22 and 2022/23.

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	Sept 2023

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents

Appendix 1 – Letter from DLUCH to Chief Executives / Chief Financial Officers / Local Audit Firm Partners regarding local audit delays

Appendix 2 – Update on external audit timetable by Deloitte LLP