

## **REPORT TO AUDIT AND GOVERNANCE COMMITTEE**

Date of Meeting: 6 March 2024

Report of: Director Finance

Title: Statement of Accounts 2022/23

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

- 1.1 To seek Members' approval of the Council's Statement of Accounts for 2022/23, subject to conclusion of the audit.

#### **2. Recommendations:**

- 2.1 It is recommended that delegated powers are given to the Director Finance and Chair of Audit and Governance Committee to approve the Statement of Accounts for 2022/23 upon the conclusion of the audit and to report back to this committee any significant findings, if any are identified in the remainder of the audit.

#### **3. Reasons for the recommendation:**

- 3.1 The publication of audited Statement of Accounts is a statutory requirement, in accordance with the Local Audit and Accountability Act 2014, supported by the Accounts and Audit Regulations 2015.

#### **4. What are the resource implications including non-financial resources?**

- 4.1 The Statement of Accounts is intended to give a 'true and fair' view of the financial position and transactions of the Council, including group financial statements, as at 31 March 2023.

#### **5. Section 151 Officer Comments:**

- 5.1 Progress in the audit has been encouraging and will leave the team better placed to work towards delivering timely accounts in the future. It is pleasing to note that there are no significant issues identified at this stage.

#### **6. What are the legal aspects?**

- 6.1 The Statement of Accounts has been prepared in accordance with the statutory framework established for England by the Accounts and Audit (England) Regulations 2015.

- 6.2 The Accounts and Audit Regulations 2015 required local authorities to publish unaudited financial statements by 31 May 2023 and to start the period for the public inspection from the first working day of June.
- 6.3 As reported to Audit and Governance Committee on 26 July 2023, the Council was unable to achieve these deadlines because the 2021/22 accounts have not been signed off by the auditors and subsequent information arising from the 2022 triennial valuation of the pension fund became available. This subsequent information resulted in adjustments to the 2021/22 Statement of Accounts and the opening balances for 2022/23, resulting in more work and delays to close the accounts.
- 6.4 In accordance with Regulation 15 (1a) a notice to explain the delays was published on the Council's website. The unaudited accounts were published on 31 August 2023 and the period for the public inspection ran from 1 September to 12 October 2023.
- 6.5 The audit of the accounts has been undertaken in accordance with the statutory framework established by section 20 of the Local Audit and Accountability Act 2014, by the Council's external auditors, Grant Thornton.

## **7. Monitoring Officer's Comments:**

- 7.1 This report raises no issues for the Monitoring Officer.

## **8. Report Details:**

### **EXTERNAL AUDIT OF THE 2022/23 STATEMENT OF ACCOUNTS**

#### **8.1 Appointed Auditor**

Public Sector Audit Appointments Ltd (PSAA) is responsible for appointing an auditor to principal local government and police bodies that have chosen to opt into its national auditor appointment arrangements. Exeter City Council opted into this arrangement.

On 14 December 2017, the PSAA board approved the appointment of Grant Thornton (UK) LLP to audit the accounts of Exeter City Council for a period of five years, covering the accounts from 1 April 2018 to 31 March 2023. This appointment is made under regulation 13 of the Local Audit (Appointing Person) Regulations 2015.

#### **8.2 2021/22 and 2022/23 Audit**

As reported to Audit and Governance Committee on 29 November 2023, the delay with the audit of the 2021/22 Statement of Accounts has resulted in the audit for both 2021/22 and 2022/23 running alongside each other. Significant progress has been made on both audits and Grant Thornton anticipate issuing an unqualified audit opinion by 31 March 2024, subject to completion of the remaining audit procedures.

#### **8.3 Statement of Accounts 2022/23**

The purpose of a local authority's published Statement of Accounts is to give electors, those subject to locally levied taxes and charges, members of the authority, employees and other interested parties clear information about the authority's finances.

The draft Statement of Accounts were received by the auditors on 31 August 2023.

Information contained in the Statement of Accounts has been consolidated into the Whole of Government Accounts for 2022/23.

#### **8.4 Presentation of the Statement of Accounts**

The Code of Practice on Local Authority Accounting (the Code) provides guidance on the format and content of the Statement of Accounts and means that they have to conform to a national standard.

#### **8.5 Main Changes to the Accounts**

The Code did not adopt any new accounting standards for the 2022/23 financial year, which enabled the accounts to be prepared on a consistent basis with the prior year.

Since the issue of the draft accounts, an additional narrative disclosure has been added in respect of Exeter City Living

- **Events after the Reporting Period**

It has been necessary to disclose the Council's decision on 17 October 2023 to reduce the capacity of its housing development company, Exeter City Living Ltd, as an event which took place after 31 March 2023, but provides information that is relevant to an understanding of the authority's financial position but do not relate to conditions at that date.

#### **8.6 Audit Findings**

At the time of writing, our external auditors anticipate issuing an unqualified audit opinion on the Authority's financial statements and have not identified any misstatements to the Council or the Group financial statements.

An amendment to the value of capital commitments was made along with a small number of narrative amendments.

Overall, the amendments to date have had no impact on either the General Fund balance or the Housing Revenue Account balance, which remain as reported to Council. The overall financial performance of the Council for 2022/23 was reported to Executive on 27 June 2023 and to Council on 18 July 2023.

### **9. How does the decision contribute to the Council's Corporate Plan?**

The Statement of Accounts set out the financial position at the end of the 2022/23 and the transactions of the Council during 2022/23, both of which help underpin delivery of the Corporate Plan.

### **10. What risks are there and how can they be reduced?**

The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Board and Members. There is also a risk of failing to implement key accounting changes in accordance with approved accounting standards, but this is mitigated by the external audit of the Statement of Accounts.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 The report is for information only.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

Not applicable

### **Director Finance**

#### **Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:

None

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