

Audit Committee – 28 July 2028

Title of paper:	Statement of Accounts Progress Update	
Director(s)/ Corporate Director(s):	Ross Brown, Corporate Director of Finance and Resources and Section 151 Officer Shabana Kausar, Director of Finance and Deputy S151 Officer	Wards affected: All
Report author(s) and contact details:	Jean Stevenson, Interim Finance Team Leader – Technical Finance	
Other colleagues who have provided input:		
Does this report contain any information that is exempt from publication? No		
Recommendation(s):		
1.	To note the current position with the Statement of Accounts for the years 2019/20 through to 2022/23	

1. Reasons for recommendations

- 1.1 As the Audit Committee is responsible for approving the audited accounts, this report looks to provide a formal update on the progress the Council is making with its statement of accounts relating to 2019/20 to 2022/23.

2. Background (including outcomes of consultation)

- 2.1 As previously reported to the Committee in verbal updates at recent meetings and formally in writing at the meeting on 30 July 2021, the Council experienced delays with the audit of its 2019-20 accounts due to issues with property valuations for specialist assets and with subsidiary company figures required for group accounts. It currently has three sets of accounts that should have already been published with audit opinions. The Improvement and Assurance Board has issued a directive that the outstanding issues with these accounts should be resolved by 30 September 2023.
- 2.2 The Council's 2018/19 Statement of Accounts were approved by the Audit Committee on 26 March 2021 for which Grant Thornton issued their audit opinion on the same day enabling the accounts to be formally published. These accounts were due to be published by 30 September 2019 but were delayed due to a conclusion being reached with regards to the value for money reported at the same meeting.
- 2.3 Grant Thornton originally commenced audit work on 2019/20's accounts in 2020 after work on the 2018/19 Statements concluded, but they decided to withdraw in early 2021 to allow the council to amend the draft for a number of emerging issues including the need to obtain valuations for specialist assets and to finalise figures for a former subsidiary company which was in administration.
- 2.4 The current position with 2019/20 and each of the subsequent years is as follows:

Financial Year	Original audited accounts publication date <i>(per Accounts & Audit Regulations)</i>	Current position	Progress of production of draft accounts <i>(as at 30 June 2023)</i>
2019/20	30 November 2020	Draft published 28 August 2020 <i>Public inspection completed</i>	100%
2020/21	30 November 2021	Unsigned draft published 30 July 2021 <i>Public inspection not yet opened</i>	60%
2021/22	30 September 2022	No draft yet produced <i>(was due 30 July 2022)</i>	5%
2022/23	30 September 2023	No draft yet produced <i>(was due 31 May 2023)</i>	0%

3. Other options considered in making recommendations

3.1 None as the publication of audited accounts is a statutory requirement.

4. Progress

4.1 The council have recruited additional temporary staffing resources to support the Technical Finance team with the production of accounts, with the additional team members joining through June 2023. Revisions, which are still subject to audit, have now been made to the 2019-20 accounts to incorporate the revised valuation information for specialist assets, to amend group accounts, to adjust for issues with the Housing Revenue Account and to address other issues identified during the audit.

4.2 Finance officers have been working with Grant Thornton to progress matters since the audit recommenced in July 2022 and the current position is as follows:

Year	Ledger	Draft Accounts	Audit Queries
2019/20	All required entries input by 30 June 2023	Revised draft accounts submitted to Grant Thornton on 5 July 2023 incorporating all identified changes required	All requests received to date have been responded to by the Council
2020/21	Ledger entries being updated to complete by end of July 2023	Revised draft accounts in production and expected to be completed by mid-August 2023	Audit not yet commenced
2021/22	Ledger entries to be made by end of August 2023	Draft accounts are expected to be ready by 30 September 2023	Audit not yet commenced
2022/23	Initial close of ledger complete, accounting entries to be processed in Autumn 2023	Draft accounts are expected to be ready by mid-December 2023	Audit not yet commenced

4.3 Periods of public inspection are a legal requirement. The accounting records have to be open to members of the public for a period of 30 working days under the Accounts and Audit Regulations. This period will need to be observed for all outstanding years except for 2019-20 which was open from 1 September 2020 to 12 October 2020 inclusive.

5. Finance colleague comments (including implications and value for money/VAT)

5.1 The scale fees paid to the External Auditor are set by Public Sector Audit Appointments and are as follows:

	£
2019-20	132,531
2020-21	132,531
2021-22	141,531
2022-23	141,531

5.2 In addition, Grant Thornton indicated in their Audit Plan for 2019-20 brought before the Audit Committee at their meeting on 28 February 2020 that there would be additional fees of £27,350 to be paid. Recent discussions between the Council, Public Sector Audit Appointments and Grant Thornton have resulted in the additional fees being increased to £92,350 to reflect the issues encountered through the audit.

6. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

6.1 None.

7. Published documents referred to in this report

7.1 None.