

ANNUAL STATEMENT OF ACCOUNTS 2022/23

**Responsible Cabinet Member -
Councillor Mandy Porter, Resources Portfolio**

**Responsible Director -
Elizabeth Davison, Executive Director – Resources and Governance**

SUMMARY REPORT

Purpose of the Report

1. To present a report by the Council's external auditors, Ernst and Young LLP (EY), on the audit for the year ended 31 March 2023.

Summary

2. In accordance with the Accounts and Audit (Amendment) Regulations 2023, all Local Authorities were required to produce the draft annual Statement of Accounts by 31 May 2023 and an audited set published by 30 September 2023.
3. Due to national issues which led to a delay in finalising the 2021/22 accounts and the subsequent delay in commencing the 2022/23 accounts our external auditors EY (Ernst & Young) were not in a position to deliver the audit by the statutory deadline.
4. This was not an isolated situation. The backlog in the publication of audited accounts has reached an unacceptable level with the national number of outstanding opinions as at 30 September 2023 standing at 918.
5. This backlog undermines accountability in the local government sector and reduces information available to the users of the accounts. In a bid to provide a solution the Accounts and Audit (Amendment) Regulations 2024 provide for statutory 'backstop' dates to help clear the backlog of audits and rebuild assurance.
6. The first statutory 'backstop' date is 13 December 2024 and applies to all outstanding audits up to and including the 2022/23 accounts.
7. Following the completion of the 2021/22 accounts in April 2024, the Council offered their full support and additional resources in order to try and fully complete the 2022/23 audit before the backstop date; however, EY have not had the capacity or the resources available in order for them to schedule the 2022/23 audit.
8. EY have therefore not been able to complete a full audit; this has led to EY issuing a Disclaimer of opinion for the 2022/23 accounts.

9. A Disclaimer of opinion means that EY have not been able to gain sufficient audit evidence by the backstop date to provide an opinion for the reasons outlined above.
10. EY's report is attached at **Appendix 1** and will be presented by a representative from EY.

Recommendation

11. It is recommended that the Auditor's Completion Report for Those Charged With Governance for the Council's 2022/23 financial statements be noted.

Reason

12. The recommendation is supported to enable Cabinet to receive the results of external audit work carried out.

Elizabeth Davison
Executive Director - Resources and Governance

Background Papers

- (i) Audit Committee Report 25 November 2024
- (ii) Auditor's Completion Report for Those Charged With Governance

Council Plan	The Council's financial statements contribute to all priorities outlined within the Council Plan.
Addressing inequalities	This report presents the auditors opinion of the Council's financial statements for 2022/23. There is therefore no impact as a result of this report.
Tackling Climate Change	This report presents the auditors opinion of the Council's financial statements for 2022/23. There is therefore no impact as a result of this report.
Efficient and effective use of resources	This report includes the auditors findings on our arrangements to secure Value For Money.
Health and Wellbeing	This report presents the auditors opinion of the Council's financial statements for 2022/23. There is therefore no impact as a result of this report.
S17 Crime and Disorder	This report has no implications for crime and disorder.
Wards Affected	No specific impact on an individual area as a result of this report.
Groups Affected	No specific impact on an individual area as a result of this report.
Budget and Policy Framework	This report does not recommend a change to the Council's budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers.