

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 7</b>
<b>22 JULY 2024</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth – Executive Corporate Director of Corporate Resources and S151 Officer
Cabinet Member(s) responsible:	Cllr Amjad Iqbal, Deputy Leader and Cabinet Member for Finance and Corporate Governance
Contact Officer(s):	Jill Evans, Service Director - Corporate Finance and Deputy Section 151 Officer

## 2022/23 STATEMENT OF ACCOUNTS

R E C O M M E N D A T I O N S	
<b>FROM:</b> Cecilie Booth – Executive Corporate Director of Corporate Resources and S151 Officer	<b>Deadline date:</b> 22 July 2024
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Receives and comments on the Annual Accounts for 2022/23, delegating any final approval to the Executive Director for Corporate Resources and the Chair of Audit Committee</li> <li>2. Notes the linked Auditors Value for Money Report for the year ended 31 March 2023 from Ernst &amp; Young (EY) which can be found at agenda item 8.</li> </ol>	

### 1. ORIGIN OF REPORT

- 1.1 To Receive and review the Annual Accounts for 2022/23, delegating any final amendments to the Executive Director for Corporate Resources and the Chair of Audit Committee.

To note the linked Auditors Value for Money Report for the year ended 31 March 2023 from Ernst & Young (EY) on behalf of the Council.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to provide Audit Committee with the opportunity to review the annual accounts, as part of the remit of the committee. Audit Committee has an essential role in providing assurance over the quality of the draft financial statements.

The period for the exercise of public rights has completed in accordance with regulations 14 and 15 of the Accounts and Audit Regulations 2015. Therefore, the Committee will be required under the same Act Regulation 9 (2) to consider and approve the statement of accounts.

The audit of the accounts has been considered as part of EY’s value for money report, elsewhere on the agenda. The accounts will not be approved by Audit Committee until the audit is complete.

- 2.2 This report is for Audit Committee to consider under its Terms of Reference:

- 5.2: To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns

arising from the financial statements or from the audit that need to be brought to the attention of the Council.

### 3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	n/a
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### 4. **BACKGROUND**

4.1 The Statement of Accounts was originally published on 29 February 2024 and was republished for non-material amendments. Due to the fact the changes are non-material the period to exercise public rights has not been reopened.

The outturn in the accounts was a small underspend of £0.6m and the Balance Sheet is now positive. The Balance Sheet (net assets) was -£142m as at 31 March 2022 and as at 31 March 2023 it is positive +£127m. The change in the Balance Sheet is mainly due to a positive change of £244m in the pension liability, which is now in a small surplus position, as a result of the recalculation by the actuaries.

4.2 The accounts were significantly delayed due to a complete change in the finance team responsible for producing the year end accounts and the ongoing audit of 2020/21. A new team has been fully recruited and are planning to complete the 2023/24 accounts by 31 July 2024. The 2023/24 accounts are slightly delayed due to the backlog created by the delays in producing the 2022/23 accounts, the ongoing Value for Money audits and queries, and the loss of corporate knowledge.

4.3 The interim Value for Money report on these accounts is included in the agenda as item 8. There is a backlog in local audit and it is unclear how auditors intend to play their part in putting the local audit system back on a sustainable footing. The reset proposed as part of the local government audit consultation has not become legislation and so the audit requirements have not changed. Presently the 2022/23 accounts require a full audit before Audit Committee can approve them.

### 5. **CORPORATE PRIORITIES**

5.1 Having audited accounts is a statutory requirement, this is the first stage towards that.

### 6. **CONSULTATION**

6.1 This report has been issued to the Executive Director of Corporate Services and Section 151 Officer for consideration.

### 7. **ANTICIPATED OUTCOMES OR IMPACT**

7.1 The Council is required to publish a Statement of Accounts.

### 8. **REASONS FOR RECOMMENDATIONS**

8.1 To enable the Audit Committee to continue to monitor the Council's financial governance. Audit Committee has an essential role in providing assurance over the quality of the draft financial statements

### 9. **ALTERNATIVE OPTIONS CONSIDERED**

9.1 Audit Committee has an essential role in providing assurance over the quality of the draft financial statements. Not sending the accounts to Audit Committee to review was not considered.

### 10. **IMPLICATIONS**

#### 10.1 Financial

Audited accounts enable the Council to demonstrate its true and fair financial position.

#### Legal

Audited accounts are a statutory requirement.

**11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 The Statement of Accounts can be found here- [Statement of accounts | Peterborough City Council](#)

The 2023/24 accounts are due to be published on 31 July.

**12. APPENDICES**

- 12.1 Appendix A – 2022/23 Annual Accounts (draft)

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