

Delay to the Publication of the Council's Statement of Accounts 2022/23

Since the publication of the statement below at the end of May, the Council's Monitoring Officer has issued an associated Section 5 report setting out in more detail the delay in publishing the Council's Accounts by the statutory deadline of 31 May 2023. The full Section 5 report that was considered by Cabinet on 21 July 2023 is available on our website using the following link: [Link to Section 5 Report](#)

Although the report set out a number of points, it is worth highlighting the following comments of the Council's S151 Officer:

Over the last two years, the deadline to publish the Statement of Accounts was extended to 31 July. Although this was largely due to the impact of the COVID 19 pandemic, it provided a reasonable / practical deadline for Councils to complete the necessary work, which has increased over time with additional requirements emerging from the associated code.

It was disappointing that the Government did not extend the deadline again for 2022/23 even though it understood many of the respondents to the associated consultation expressed concerns of retaining the end of May 2023 deadline given the on-going workload within Local Authorities.

It is currently scheduled to publish the certified Statement of Accounts for 2022/23 by the end of July 2023, which would mean that they have been published within the same timescales as the last two years, which has not had a detrimental impact on the Council being able to adequately fulfil its financial stewardship role. Once certified and published it is proposed to commence the 30 public inspection period from 1 August 2023.

Following on from the above, the Council remains committed to publishing its 2022/23 accounts by the end of July.

The Accounts and Audit Regulations 2015 require Local Authorities in England to:

- 1) Publish unaudited statement of accounts by the 31 May each year (that relate to the preceding financial year ending on 31 March) and then commence a period for the exercise of the public right to inspect those accounts. This inspection period must be a period that includes the first 10 working days in June.
- 2) Publish audited statement of accounts (including a narrative statement) along with an Annual Governance Statement by the 31 July.

Due to the impact from COVID 19, the deadline set out in 1) above was extended to 31 July and the deadline set out in 2) above was extended to 30 September for the statement of accounts relating to both 2020/21 and 2021/22.

As set out below, there remains a number of issues impacting on the ability of Councils to meet the 31 May publication deadline and it was disappointing that the Government did not provide further extensions to these deadlines for the 2022/23 accounts.

With the above in mind, it is important to highlight that the Council's accounts relating to 2020/21 and 2021/22 still remain subject to the work of the External Auditor. Statements explaining these delays to the publication of audited statement of accounts were set out on the Council's website which largely reflect the on-going and challenging position that a number of audit firms have faced in terms of having the necessary capacity to conclude their audit work and issue their associated opinion on time. This is a well-publicised issue nationally and in no way reflects any wrong doing by those Councils adversely affected.

The backlog of audits is estimated to reach 1,000 across the country by the end of 2023 and the current national situation has been described as a crisis in the External Audit of Local Authorities that risks escalating even further without urgent and decisive action by the Government. We understand that the Government remain committed to exploring options in response to this national issue.

The delays in the external audit of the accounts highlighted above have both a direct and secondary impact on the ability for Council's to meet the 31 May publication deadline for 2022/23.

In terms of a direct impact, a number of issues relating to 2020/21 and 2021/22 remain subject to the external audit process, and based on current information it is very likely that a number of figures in the 2020/21 and/or 2021/22 accounts will be subject to amendment. For example, pension figures included in our published 2021/22 accounts are expected to have to be changed to reflect the latest pension revaluation which

would not have been available at the time the accounts were produced or at the time of the original deadline for the publication of the audited accounts. It is also important to highlight that some financial balances from 2021/22, that will need to be brought forward into the 2022/23 accounts are also likely to change.

In terms of a secondary impact, the Council is still working with the External Auditor on the 2020/21 accounts which in turn has an adverse impact on preparing the 2022/23 accounts.

Taking all of the above into account, the Council has taken the difficult but pragmatic decision to delay the publication of its 2022/23 accounts until a number of key activities have been finalised or resolved in consultation with our External Auditor. This will enable a more 'complete' set of accounts to be made available for the start of the period of public inspection referred to earlier.

The Council will endeavour to publish its accounts and commence the required period of public inspection as soon as possible, in July 2023. The proposed delay will not impact on the ability for the public to inspect the Council's accounts or to raise questions directly with our External Auditor.

Given the Government's commitment to support a solution to the on-going delays to the audit of local authority accounts, it is hoped that the decision to delay the publication of the accounts will only be a one-off event in 2022/23.

The Council's decision to delay the publication of the accounts should be seen as a practical response to matters outside of its control, rather than a reflection on the Council's important financial stewardship role. However to provide additional assurance in the interim period, the External Auditor has provided a positive Draft Audit Completion Report for 2020/21 which was considered by the Council's Audit Committee in March 2023, with no significant weakness identified to date in terms of the Council's use of resources.