

REPORT TITLE: DRAFT ANNUAL FINANCIAL REPORT 2023/24

18 JULY 2024

REPORT OF CABINET MEMBER: COUNCILLOR NEIL CUTLER, DEPUTY LEADER
AND CABINET MEMBER FOR FINANCE AND PERFORMANCE

Contact Officer: Liz Keys Tel No: 01962 848226 Email LKeys@winchester.gov.uk

WARD(S): ALL

PURPOSE

The draft Annual Financial Report 2023/24 was published on the council's website on 31st May 2024. The document contains the council's unaudited Statement of Accounts 2023/24 which have been certified by the Chief Financial Officer as giving a true and fair view of the financial position of the council as at 31st March 2024. It is brought to Committee at this time for information only.

Once the external auditors have completed their work on the draft Annual Financial Report, they will present a report of their findings to the Audit and Governance Committee and members will have opportunity to ask questions of the auditors.

The Audit and Governance Committee will then be asked to approve the audited Annual Financial Report and authorise its publication. A training session on the accounts and their interpretation, along with a question & answer session, will be provided for committee members ahead of approving the audited Annual Financial Report.

RECOMMENDATIONS:

That the Audit and Governance Committee:

1. Note the report in respect of the council's Draft Statement of Accounts for 2023/24.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

Your Services, Your Voice

The preparation of the Annual Financial Report is fundamental to open and transparent accountability for public finances. Ensuring strong financial reporting and transparent stewardship of public funds underpins the council's ability to deliver all its outcomes but in particular the priority to ensure stable council finances.

2 FINANCIAL IMPLICATIONS

The planned scale fee for the audit of the 2023/24 accounts is £158,000. The scale fee set by Public Sector Audit Appointments (PSAA) has significantly increased from the 2022/23 fee of £52,000.

Our understanding is that there is no further work planned on the council's 2022/23 financial statements; it is therefore likely that the auditors will issue a disclaimer opinion on the statements although the wording has yet to be discussed and agreed. The fee is still subject to agreement with the PSAA.

3 LEGAL AND PROCUREMENT IMPLICATIONS

Local authorities in the UK are required to prepare their accounts in accordance with 'proper (accounting) practices' as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code). The Code specifies the principles and practices of accounting, required to prepare financial statements that give a true and fair view of the financial position and transactions of a local authority.

The Audit and Accounts Regulations 2015 require an authority to conduct a review, at least once a year, of the effectiveness of its system of internal control and include a statement reporting on the review alongside the Statement of Accounts.

The necessity to conform to these Regulations and the Code is recognised accurately in this report.

4 WORKFORCE IMPLICATIONS

None

5 PROPERTY AND ASSET IMPLICATIONS

None

6 CONSULTATION AND COMMUNICATION

A public notice is published to inform interested parties of their rights to inspect the statement of accounts and records relating to them. The public notice also details how to access this information and how to ask questions of and make objections to the council's external auditor. This was published the working day following publication of the unaudited Annual Financial Report.

7 ENVIRONMENTAL CONSIDERATIONS

None

8 PUBLIC SECTOR EQUALITY DUTY

None

9 DATA PROTECTION IMPACT ASSESSMENT

None required.

10 RISK

- 10.1 A risk, outside of the council's control, to publication of the audited Annual Financial Report by the 31st May 2025 September target date (set out in the *Accounts and Audit (Amendment) Regulations (2024)*) exists in so much as the audit may not have concluded by this deadline.

Risk	Mitigation	Opportunities
Reputation The financial statements receive an adverse external audit opinion	The statements are prepared in accordance with the CIPFA code of practice. Accounts staff attend regular public sector accounting workshops delivered by CIPFA.	

11 SUPPORTING INFORMATION:

- 11.1 Only 1% of local government bodies received an auditor's opinion on their 2022/23 accounts by the publishing deadline 30th September 2023. The Accounts and Audit Regulations (2015) were amended in 2024 for financial years 2015-2027 as part of measures to address the audit backlog. The 2022/23 financial statements and those still outstanding from earlier years must be published before 30th September 2024 and if accounts are not finalised by this deadline disclaimers of opinion will be issued.
- 11.2 The council is one of the 41% of local authorities that published the draft accounts for 2023/24 by the 31st May 2024.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 This is a statutory requirement therefore there are no other options to be considered.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

None

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Draft Annual Financial Report 2023/24