

REPORT TITLE: DRAFT ANNUAL FINANCIAL REPORT 2022/23

20 JULY 2023

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

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WARD(S): ALL

PURPOSE

This report highlights the key issues arising from the production of the Draft Statement of Accounts for the year ended 31 March 2023.

It is important that Members consider the key issues contained in the draft financial statements and their supporting notes. Members are requested to raise any matters of detail with the Corporate Head of Finance in advance of the meeting.

RECOMMENDATIONS:

That the Audit and Governance Committee:

1. Note the report in respect of the council's Draft Statement of Accounts for 2022/23.
2. Take the opportunity to discuss the content of this report and ask any questions regarding the Draft Statement of Accounts 2022/23 with officers present at the meeting.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

#### 1.1 Your Services, Your Voice

- 1.2 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

- 2.1 The planned fee for the audit of the 2022/23 accounts is £52,379. In past years, in addition to the scale fee rebasing, EY have submitted to PSAA scale fee variations for additional work they have conducted over and above the original audit scope. The variation submitted to the PSAA for 2021/22 was £35,332 and this is still subject to agreement with the PSAA.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 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 2022/23 (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.
- 3.2 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.
- 3.3 The necessity to conform to these Regulations and the Code is recognised accurately in this report.

### 4 WORKFORCE IMPLICATIONS

- 4.1 None

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

### 6 CONSULTATION AND COMMUNICATION

- 6.1 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 is published the day following publication of the unaudited Annual Financial Report.

## 7 ENVIRONMENTAL CONSIDERATIONS

7.1 None

## 8 PUBLIC SECTOR EQUALITY DUTY

8.1 None

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required

## 10 RISK MANAGEMENT

10.1 A risk, outside of the council's control, to publication of the audited Annual Financial Report by the 30 September target date (set out in the *Accounts and Audit Regulations (2015)*) exists in so much as the audit may not have concluded by this deadline. For the 2022/23 financial statements, the external auditor has already indicated that they have scheduled the Council's audit for September – November 2023.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
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.	
Achievement of outcome  Failure to produce financial statements in compliance with statutory requirements	A comprehensive project plan for the delivery of the accounts closedown is in place and weekly Finance meetings are held during the Closedown	

## 11 SUPPORTING INFORMATION:

11.1 The Accounts and Audit Regulations (2015) were amended for 2020/21 and 2021/22 because of the pandemic, the deadline for the publishing the

unaudited financial statements was extended to 31<sup>st</sup> July and the deadline for publishing the audited statements was moved to 30th September.

- 11.2 The 2022 Amendments to the Accounts and Audit Regulations move the audited statements publication deadline to 30<sup>th</sup> September for the next five financial years (up to and including 2027/28). The deadline for publishing the unaudited 2022/23 financial statements reverted back to 31<sup>st</sup> May. The council was unable to meet the 31<sup>st</sup> May through the sickness absence of key staff and published the required notice explaining the delay to the public inspection period. The unaudited financial statements were published on the council's website on 23rd June 2023 and the delayed public inspection period commenced the next working day.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Not applicable

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

[AG099 Planning for and audit of 22-23 accounts](#)

#### Other Background Documents:-

None

### APPENDICES:

Appendix 1 - Annual Financial Report 2022/23 Unaudited