

DECISION-MAKER:	AUDIT COMMITTEE		
SUBJECT:	DRAFT STATEMENT OF ACCOUNTS 2023/24		
DATE OF DECISION:	29 JULY 2024		
REPORT OF:	EXECUTIVE DIRECTOR ENABLING SERVICES & S151 OFFICER		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Enabling Services & S151 Officer	
	Name:	Mel Creighton	Tel: 023 80833528
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Author:	Title:	MTFS & Revenue Manager	
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STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
<p>The draft statement of accounts 2023/24 was signed on 28 May 2024 by the Executive Director Enabling Services & S151 Officer. This is in line with the statutory requirement for the unaudited accounts to be published by 31 May 2024 following sign off by the responsible financial officer, as set out in the Accounts and Audit Regulations 2015. A copy of the draft unaudited statement of accounts is available in the members' room.</p>	
<p>The appointed auditor for the financial years 2023/24 to 2027/28 is Ernst & Young (EY) LLP. EY commenced the 2023/24 year end audit in June 2024 and it is expected to be completed by September 2024.</p>	
RECOMMENDATIONS:	
(i)	Notes that the draft statement of accounts 2023/24 has been signed by the S151 Officer and is now brought to this Committee for comment.
(ii)	Notes that the audited statement of accounts 2023/24 is expected to be presented to the Committee on 30 September 2024 for approval.
REASONS FOR REPORT RECOMMENDATIONS	
1.	It is a legal requirement that the S151 Officer signs the draft statement of accounts by 31 May 2024 and certifies that it presents 'a true and fair view of the financial position of the authority at the end of the year to which it relates and of the authority's income and expenditure for that year'.
2.	The draft statement of accounts has been brought to the July committee in order to give members plenty of opportunity and time to comment on them before final approval, which is expected to take place in September (subject to finalisation of the 2022/23 statement of accounts). It is envisaged that the

	September report will detail any non-trivial amendments made as a result of the audit along with an amended statement of accounts (if necessary). Reports on the 2023/24 revenue and capital outturn positions were presented to Cabinet on 16 July 2024.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	The statement of accounts has been prepared in accordance with statutory requirements. No other options have been considered as it is a legal requirement that the draft statement of accounts is prepared and signed by the S151 Officer no later than 31 May 2024.
DETAIL (Including consultation carried out)	
	CONSULTATION
4.	Not applicable.
	STATUTORY TIMETABLE
5.	The Accounts and Audit Regulations 2015 require the 30 working day period for the exercise of public rights for the statement of accounts to include the first 10 working days of June. This period is treated as being commenced on the day following the day on which the draft statement of accounts is published, which effectively means the draft accounts must be signed off by the responsible finance officer and published by 31 May.
6.	The Accounts and Audit (Amendment) Regulations 2022 extended the deadline for publishing audited local authority accounts from 31 July to the 30 September for each year of account for 2022/23 to 2027/28 as part of the Government's measures to improve local audit delays. The regulations do allow for the deadline to be missed. This was the case for the council's 2022/23 accounts for which a year-end audit, other than a best value audit, has not been completed, with EY focussing their resources on clearing the national backlog of open audits relating to earlier years.
7.	To aid the recovery of local authority audits, in February 2024 the Government consulted on imposing a backstop date of September 2024 for the completion of open audits relating to 2022/23 or earlier years. Progressively earlier backstop dates were also consulted upon for financial years 2023/24 to 2027/28. The proposed changes would require auditors to issue an opinion by the backstop date, which would be a disclaimed opinion if the audit has not been completed. However, legislation to enact these changes was not passed before Parliament was dissolved for the General Election. Until EY issue an opinion on the 2022/23 statement of accounts it will not be possible to finalise the audit of the 2023/24 statement of accounts, which may result in a delay.
	STATEMENT OF ACCOUNTS
8.	The statement of accounts is a complex document and the layout and information provided are defined by statutory requirements. The key issues that should be drawn to the attention of the Committee are detailed below.
	ACCOUNTING AND OTHER POLICIES
9.	The council's accounts are prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK (the Code), which is recognised by

	statute as representing proper accounting practice and meets the requirements of the Accounts and Audit Regulations 2015.
10.	The material accounting policies are described in detail on pages 30 to 43 of the draft statement of accounts and cover such items as: <ul style="list-style-type: none"> • Property, plant and equipment • Employee benefits • Financial instruments • Grants and contributions • PFI contracts
11.	The 2023/24 Code incorporates temporary amendments to address issues raised by auditors nationally in relation to accounting for infrastructure assets. These temporary changes were first made as an update to the Code in November 2022 and applied from the 2021/22 Code up to and including the 2024/25 Code. The Government also enacted regulations to provide for a statutory override for infrastructure asset disclosures. The council has made use of the statutory override and temporary amendments to the Code and has not reported the gross book value or accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.
12.	The accounting policies adopted by the council are in line with the CIPFA Code of Practice on Local Authority Accounting, and the Audit Committee would therefore be more likely to be interested if the council were to depart from the recognised practice.
13.	Critical judgements made in applying the accounting policies that have the most significant effect on the amounts in the financial statements are set out in Note 3 of the accounts (page 44) and details of key areas of estimation uncertainty are provided in Note 4 of the accounts (page 46).
	2023/24 OUTTURN
14.	The narrative statement provides a summary of the revenue and capital financial performance for the year on pages 10 to 17. Full details of the outturn position were reported in the revenue and capital outturn reports to Cabinet on 16 July 2024.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
15.	The capital and revenue implications are considered as part of the revenue and capital outturn reports that were presented to Cabinet on 16 July 2024.
<u>Property/Other</u>	
16.	There are no specific property implications arising from this report.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
17.	Accounts and Audit Regulations 2015 (as amended).
<u>Other Legal Implications:</u>	
18.	None.

RISK MANAGEMENT IMPLICATIONS	
19.	Not applicable
POLICY FRAMEWORK IMPLICATIONS	
20.	Not applicable. It should be note that the statement of accounts has been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK 2023/24.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None

Documents In Members' Rooms

1.	Draft Unaudited Statement of Accounts 2023/24
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Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes/No
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	Yes/No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None