

DECISION-MAKER:	AUDIT COMMITTEE		
SUBJECT:	STATEMENT OF ACCOUNTS 2023/24		
DATE OF DECISION:	12 FEBRUARY 2025		
REPORT OF:	EXECUTIVE DIRECTOR ENABLING SERVICES & S151 OFFICER		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Enabling Services & S151 Officer	
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STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
<p>In accordance with the Accounts and Audit Regulations 2015 (as amended) the Draft Statement of Accounts 2023/24 was signed by the Executive Director Enabling Services & S151 Officer on 28 May 2024 ahead of the 31 May 2024 deadline. The Committee is required to consider and approve the audited accounts before they are published. The Accounts and Audit (Amendment) Regulations 2024, which came into force on 30 September 2024, set a backstop date of 28 February 2025 for publishing the audited 2023/24 accounts.</p>	
<p>The year-end audit, carried out by our auditors Ernst & Young LLP, commenced on 10 June 2024 and had not been concluded at the time of writing this report. This report details the changes made to the Statement of Accounts and unadjusted audit differences arising from the findings of the audit to date. A copy of the updated Statement of Accounts is available in the Members' Room.</p>	
RECOMMENDATIONS:	
(i)	Notes the changes to the Statement of Accounts 2023/24 as a result of the annual audit as detailed in paragraphs 5 to 7 and appendix 1, none of which change the overall bottom line position for the Council for 2023/24.
(ii)	Notes the changes made to the Annual Governance Statement (included within the updated Statement of Accounts document) since the draft version presented to the Audit Committee in July 2024.
(iii)	Approves the rationale for not correcting the audit difference relating to accumulated absences as set out in paragraphs 9 and 10.

	(iv)	Considers and approves the updated Statement of Accounts 2023/24 and Annual Governance Statement included within it.
	(v)	Resolves that the Executive Director Enabling Services & S151 Officer, after consultation with the Chair of the Committee, can make any further changes to the Statement of Accounts 2023/24 and Annual Governance Statement that may arise during completion of the audit.
REASONS FOR REPORT RECOMMENDATIONS		
1.		It is a legal requirement that the statement of accounts 2023/24 is considered and approved by this committee and signed by the person presiding at this meeting prior to publication. The legislation sets a deadline date for publication of 28 February 2025 (the backstop date).
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2.		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 statement of accounts is approved by the committee and signed by the person presiding at this meeting.
DETAIL (Including consultation carried out)		
		CONSULTATION
3.		Not applicable.
		STATEMENT OF ACCOUNTS
4.		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 were presented to the Audit Committee at its meeting on 29 July 2024. A copy of this is available in the Members' Room or by following the link below. Draft Statement of Accounts 2023-24
		STATEMENT OF ACCOUNTS AMENDMENTS
5.		There are a number of adjustments to the Statement of Accounts arising from the findings of the audit, none of which change the overall bottom line position for the council for 2023/24.
6.		The updated Statement of Accounts is available in the Members' Room. The main adjustments to the statements are outlined below, with further details in Appendix 1: <ul style="list-style-type: none"> • Amendment to Note 12 Property, Plant and Equipment for the change to the treatment of in-year depreciation of council dwellings in 2023/24, and for the prior year, to write it out at 31 March as a revaluation adjustment. Consequential amendment to the HRA depreciation note; • Amendments to the primary statements, associated notes and HRA statements for corrections to the demographic assumptions and inflation experience used in calculating the defined benefits pension liability, plus an update of the assets for actual rather than estimated returns.
7.		The full details of adjustments to the statements and notes arising from the findings of the audit are detailed in Appendix 1.

8.	In addition to the amendments made arising from the findings of the audit, the going concern disclosure in Note 1 has been updated to reflect the latest position.
UNADJUSTED AUDIT DIFFERENCES	
9.	The Comprehensive Income and Expenditure Statement did not include an accrual for accumulated absences (annual leave carried forward etc.) for non-teaching staff, which was estimated at £1.23M. This is consistent with the accounting treatment in 2022/23. The Code of Practice on Local Authority Accounting (the Code) requires such accruals to be reversed out through the Movement in Reserves Statement so as not to impact the council's bottom line.
10.	We have not corrected the accounts for this audit difference because: <ul style="list-style-type: none"> • It is below the materiality level; • There is no overall material variance and no net impact on the General Fund or HRA reported position; • The uncorrected amounts would not have a material impact on the use and interpretation by users of the statement of accounts – the accrual would represent 0.8% of employee expenditure for 2023/24.
ANNUAL GOVERNANCE STATEMENT	
11.	The Code requires that the Annual Governance Statement relates to the governance system as it applied during the financial year for the accounts that it accompanies. However, significant events or developments relating the governance system that occur between the reporting date and the date on which the statement of accounts is authorised for issue shall also be reported. The 2023/24 annual governance statement contained within the statement of accounts document has therefore been updated in this respect.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
12.	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.
<u>Property/Other</u>	
13.	To date, no changes have been made to the property valuations recognised in the accounts.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
14.	Accounts and Audit Regulations 2015 (as amended).
<u>Other Legal Implications:</u>	
15.	None
RISK MANAGEMENT IMPLICATIONS	
16.	In order to comply with the backstop date for publishing the audited accounts, the auditors may give a 'disclaimed' audit opinion. Auditors will be expected to give clear reasons for 'disclaimed' opinions to mitigate the possible

	reputational risk for local authorities and ensure they are not unfairly judged as a result of the backstop dates.
POLICY FRAMEWORK IMPLICATIONS	
17.	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.	Schedule of changes to Draft 2023/24 Accounts
2.	

Documents In Members' Rooms

1.	Updated 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