

Audit & Governance Committee
17 January 2024

Statement of Accounts 2022/23

Purpose of the report:

To inform the Committee of the result of the external audit of the council's 2022/23 Statement of Accounts, to receive the external auditor's Audit Findings Report and to approve the council's letter of representation from the Council's s151 Officer (Deputy Chief Executive & Executive Director of Resources).

Recommendations:

It is recommended that the Committee:

1. Note the contents of the Audit Findings Report (AFR), as attached at Annex A.
2. Approve the 2022/23 Statement of Accounts, as attached in Annex B, for publication on the council's website.
3. Approve the Executive Director of Resources' letter of representation, which is attached in Annex C.
4. Note that the Pension Fund Audit Finding Report will be circulated to Committee for consideration, before the Statement of Accounts are formally signed.
5. Approve the group letter of representation and Pension Fund letter of representation attached at Annex D.
6. The Audit and Governance Committee delegates any residual matters relating the audit of the accounts, the Group accounts and/or the pension fund accounts to the Section 151 Officer.

Introduction:

1. The Executive Director of Resources has approved the statement of accounts for 2022/23 as presenting a true and fair view of the Council's financial position as at the 31 March 2023 and its income and expenditure for the year. The accounts are attached at Annex B to this report.
2. This Committee received an update and noted the progress made in the external audit of the 2022/23 Statement of Accounts, in November 2023. The report highlighted that good progress had been made in completing the 2022/23 audit. Although the audit was still ongoing, a number of areas were substantially complete.

3. Grant Thornton and Corporate Finance have been working to complete the outstanding queries and the internal quality review to enable sign off of the council's Statement of Accounts.
4. The auditor has provided a commentary and recommendations on the Statement of Accounts in their Audit Findings Report (attached as Annex A).
5. The auditor anticipates issuing an unqualified opinion on the financial statements.

The Statement of Accounts 2022/23

6. The Accounts and Audit (Amendment) Regulations 2021 state that the draft accounts must be published by 31 July 2023, with Council's accounts sign off by external audit by 30 September 2023. The September deadline was brought forward from the 30 November deadline for the 2021/22 accounts by central government in line with the normal deadlines prior to the pandemic.
7. Surrey County Council had hoped to meet these audit deadlines, however, as is reflected across other English authorities, the Council has suffered from the significant delays in the completion of audit work which has led to an audit opinion that will be issued after 30 September 2023 deadline.

2022/23 Audit Findings

8. The Audit Findings Report 2022/23 is presented in Annex A and sets out a summary of the work carried out during the audit of the accounts, the conclusions reached and recommendations. It also shares the results of the external auditor's work undertaken to assess the council's arrangements to secure value for money in the use of resources and any recommendations made.
9. At the beginning of the audit, the auditors produce an audit plan, which was reported to Audit & Governance Committee in March 2023. The audit plan identified areas of significant risk of material misstatement. The audit findings report summarises the work completed in relation to these risk areas.
10. Appendix A of the Audit Findings Report identifies required changes made to the draft Statement of Accounts.
11. The Pension Fund Accounts form part of the overall Council Accounts and are approved as part of the approval of the overall Statement of Accounts. A specific Audit Finding Report for the Pension Fund Accounts is in draft and will be circulated to the committee to note before the Statement of Accounts are formally signed off by Grant Thornton. There are no material items arising from the Pension Fund audit at this stage.

Conclusions:

12. Grant Thornton are expecting to issue an unqualified opinion on both the main accounts and Pension Fund accounts, subject to completion of final review points noted in the AFR.
13. The accounts themselves can be formally approved at this Audit and Governance Committee.

Financial and value for money implications

14. There are no direct financial implications of this report, all financial implications in the accounts have been made in line with the Code of Practice and any impact on the 2022/23 budget has been considered in the outturn report to Cabinet.

Equalities and Diversity Implications

15. There are no direct equalities implications of this report.

Risk Management Implications

16. There are no direct risk management implications of this report.

Next steps:

The statement of accounts will be published on the council's website, any changes to the version approved by this Committee will be presentational only. Some of the formatting may change to ensure it complies with the council's accessibility standards.

Report contacts: Barry Stratfull – Chief Accountant (Corporate)

Contact Details: Barry.Stratfull@surreycc.gov.uk

Sources/background papers:

The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23
CIPFA

Annexes/Appendices:

Annex A - Audit Findings Report
Annex B - Statement of Accounts
Annexes C & D - Letter of Representation

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