

Audit & Governance Committee
10 July 2024

Draft Statement of Accounts 2023/24

Purpose of the report:

To provide Audit & Governance Committee with the Draft Statement of Accounts for 2023/24.

Recommendations:

It is recommended that the Committee:
Consider the draft 2023/24 Statement of Accounts.

Introduction:

1. The Accounts and Audit Regulations 2015 set out the requirements for local authorities to prepare an annual statement of accounts, to publish such accounts and to have those accounts audited. The regulation also allow for the statement of accounts to be inspected by members of the public within a certain timeframe.
2. These regulations were previously amended to allow for longer timescales for the preparation, publication and audit of the accounts due to the impact of the Covid-19 pandemic. These revised timeframes have now ended and the latest amendment to the regulations in 2022 reinstates the timeframes which were in place prior to Covid-19.
3. The deadlines for preparing draft accounts is 31 May 2024 and for publishing audited accounts is 30 September 2024, for the 2023/24 accounts.
4. Surrey County Council's draft Statement of Accounts were published on the Council's website on 4 July 2024, 5 weeks after the deadline. The delay was due do a number of issues, primarily relating to audit delays in previous years' accounts, the availability of third party information and significant process changes required as a result of changes to the financial system. A notice was published on the Council's website on 31 May explaining the delay.
5. The Interim Executive Director of Finance and Corporate Resources (interim s151 officer) has approved the draft statement of accounts for

2023/24 as presenting a true and fair view of the county council's financial position as at the 31 March 2024 and its income and expenditure for the year. The accounts are attached at Annex A to this report for consideration by the Committee.

6. From the date of publication, the draft accounts are subject to a 30 working day public inspection period, during which time any person interested may on reasonable notice inspect the accounts and supporting documents, except where the latter includes commercially sensitive or personal information.

The Statement of Accounts 2023/24

7. The statement of accounts 2023/24 provide a summary of the Council's financial transactions for the year and the Balance Sheet shows the Council's financial position as at 31 March 2024. The statements are a key document for the Council and Councillors in relation to corporate governance.
8. The S151 officer is responsible for the preparation of Surrey County Council's single entity statement of accounts, the Surrey County Council group accounts, the pension fund statement of accounts and the firefighters' pension fund accounting statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code).
9. The Code is a very prescriptive document, and determines not only the accounting policies to follow, but also the form and content of the statement of accounts. The Code is based on International Financial Reporting Standards (IFRS's) issued by the International Accounting Standards Board. Local authorities have a legal obligation to follow "proper accounting practice", this therefore means that compliance is mandatory.
10. In addition to the code, the accounts are prepared using the accounting policies as set out in the accounts. These are the rules and practices applied by the Council.

Accounting Changes 2023/24

11. The 2023/24 Code of Practice on Local Authority Accounting had no significant changes in accounting policies.

Conclusions:

12. The council's 2023/24 draft accounts are attached to this report (Annex A) for consideration.

Implications:

Financial and value for money implications

13. There are no direct financial implications of this report. The draft statement of accounts include a narrative report which sets out the key elements of the statement of accounts and the outturn position of the Council at 31 March 2024.

Equalities and Diversity Implications

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

Risk Management Implications

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

Legal Implications – Monitoring Officer:

16. There are no immediate legal implications associated with this report. As noted in paragraph 9 regarding the Code: Local authorities have a legal obligation to follow “proper accounting practice”, this therefore means that compliance is mandatory.

Next steps:

17. The audit of the Statement of Accounts 2023/24 by EY is planned to begin in July 2024.
18. The Group accounts will be prepared, published and audited alongside the audit of the Council’s Statement of Accounts.
19. The final, audited statement of accounts and audit findings report are scheduled to be presented to a future meeting of this committee.

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Sources/background papers:

None

Annexes/Appendices:

Annex A - Draft Statement of Accounts 2023/24

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