



Report To:	Audit and Governance Committee
Date:	Wednesday 27 November 2024
Subject:	Annual Governance Statement 2022/23 and Financial Statements 2022/23
Purpose:	To seek approval of the Annual Governance Statement 2022/23 and approval of the Financial Statements 2022/23
Key Decision:	N/A
Portfolio Holder:	Portfolio Holder for Finance
Report Of:	Christine Marshall, Deputy Chief Executive - Corporate Development (S151)
Report Author:	Ellie Stacey, Deputy Chief Finance Officer (Corporate)
Ward(s) Affected:	None
Exempt Report:	No

Summary

The Annual Governance Statement 2022/23 and Financial Statements 2022/23 are required to be approved by the Committee, as per the Accounts and Audit Regulations 2015.

Recommendations

It is recommended that Audit and Governance Committee:

- 1) Approve the Annual Governance Statement 2022/23 (Pages 96-108 Appendix 1).
- 2) Following approval of the Council's Annual Governance Statement approve the Financial Statements 2022/23 (Appendix 1).

- 3) Authorise the S151 Officer, in consultation with the chairman of the Committee, to approve any amendments if required, after the Committee date and prior to the official signing of the Financial Statements.
- 4) Authorise the S151 Officer, in consultation with the chairman of the Committee, to approve the Letter of Representation. (Appendix 2).

Reasons for Recommendations

To meet corporate governance best practice and statutory requirements.

Other Options Considered

Not to approve the Annual Governance Statement or Financial Statements.

There is a statutory requirement for the Financial Statements to be approved and published by 13 December 2024, or as soon as reasonably practicable after receipt of the auditors final findings (if later).

1. Background

- 1.1. The draft Annual Governance Statement and unaudited Financial Statements 2022/23 (Appendix 1) were considered by the Audit and Governance Committee on 30 October 2024. No further amendments have been made.

2. Report

- 2.1 There is a backlog of outstanding audits on historical Financial Statements nationally, and this is being addressed by the 'backstop' arrangements, which were formalised in legislation (The Accounts and Audit (Amendment) Regulations 2024) on 30 September 2024. All outstanding external audits up to and including 2022/23 must be concluded and signed off by 13 December 2024.
- 2.2 The unaudited Financial Statements were not produced in line with the statutory deadline for 2022/23, and the audit by Mazars LLP has not commenced. In order to meet the backstop date, Mazars LLP expect to disclaim the opinion on the Financial Statements 2022/23. This proposed disclaimer will impact on both the audit procedures by KPMG to gain assurance on the Financial Statements 2023/24, and the Audit Report in 2023/24 and subsequent years during the 'recovery phase' of the Government's proposals.
- 2.3 The Annual Governance Statement is presented within the Financial Statements. Regulation 6 of the Accounts and Audit Regulations 2015 requires the Authority to prepare and approve an Annual Governance Statement in advance of the Statement of Accounts being approved. The Committee is requested to approve the Annual Governance Statement which is contained at pages 96-108 within Appendix 1, to allow it to be published with the Financial Statements.

3. Conclusion

3.1. The Financial Statements and Annual Governance Statement are being presented to the Committee for review and approval.

Implications

South and East Lincolnshire Councils Partnership

None.

Corporate Priorities

None.

Staffing

None.

Workforce Capacity Implications

None.

Constitutional and Legal Implications

The Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendments) Regulation 2024 define these arrangements.

Data Protection

None

Financial

As contained in the Financial Statements at Appendix 1.

Risk Management

None.

Stakeholder / Consultation / Timescales

None.

Reputation

None.

Contracts

None.

Crime and Disorder

None.

Equality and Diversity / Human Rights / Safeguarding

None.

Health and Wellbeing

None.

Climate Change and Environmental Implications

None.

Acronyms

PSPS Ltd – Public Sector Partnership Services Ltd
CIPFA – Chartered Institute of Public Finance and Accountancy
S&ELCP – South and East Lincolnshire Councils Partnership

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1	Financial Statements 2022/23
Appendix 2	Letter of Representation 2022/23

Background Papers

Background papers used in the production of this report are listed below: -

Document title	Where the document can be viewed
CIPFA Accounting Code of Practice 2022/23 and supporting Guidance Notes	Available from the Financial Services department

Chronological History of this Report

None.

Report Approval

Report author:	Ellie Stacey, Deputy Chief Finance Officer (Corporate) Ellie.Stacey@pspsl.co.uk
Signed off by:	Christine Marshall, Deputy Chief Executive - Corporate Development (S151)
Approved for publication:	Christine Marshall, Deputy Chief Executive - Corporate Development (S151)