

Accounts and Audit backlog and delays

Briefing Note No. 23-33

Service: Finance & Procurement and Legal & Governance
Further Enquiries to: Lizzie Watkin, Director of Finance & Procurement,
lizzie.watkin@wiltshire.gov.uk
Date Prepared: 10 November 2023

Purpose of Report

1. To keep all members abreast of the position on the on-going delays to the conclusion and approval of the Council's Accounts and Audit and set out the reporting made to councillors of these ongoing delays.

Background

2. The responsibility of the oversight and governance of the Council's Statement of Accounts, and their approval lies with the Audit and Governance committee. Frequent reports are presented to this committee to ensure that public reporting is robust and transparent and allows councillors to debate and challenge the position and risks.
3. A request was made at the meeting of the Audit and Governance Committee on 19 September 2023 for a briefing for all councillors, which officers agreed to deliver, and this document should be considered as this briefing.
4. The Audit and Governance Committee are aware there are significant delays in the accounts and audit processes for Wiltshire Council, with the 2019/20 Accounts still not approved. Reports have been presented to the committee and public debate had on the issues on many occasions.
5. The report to the Audit and Governance Committee on the Rendering of External Audit Services was also considered and approved by Full Council. This report set out, at that point in time, that "many audits have been delayed and dozens of audit opinions remain outstanding from 2019/20 and 2020/21, including those for Wiltshire Council."
6. The Annual Governance Statement 2022/23 includes a formal statement from the Monitoring Officer associated with the delay in accounts and audit processes and regulatory requirements in publication and public inspection dates.
7. The position of significant delay in accounts and audit processes is seen across many councils nationally and the number of delayed audit opinions now stands

at 918 with only 5 out of 467 local government audit bodies' 2022/23 audit opinions issued.

8. Nationally Auditors, Section 151 Officers, regulators, government departments and other key stakeholders have been working together to find a solution to reset the system. Government is seeking to ensure that the work to clear the backlog takes place in a limited window of time which may result in qualifications and disclaimers of opinion in the short term for a number of councils. This is likely to be the case for Wiltshire Council.
9. The following table includes the reports and updates that have been presented to members. As can be seen the reporting has been robust and all members receive emails for the agendas to all committees.

Date	Committee and Subject	Link
10/02/2021	<i>Audit & Governance</i> Update on Statement of Accounts 2019/20 Report	Agenda for Audit and Governance Committee on Wednesday 10 February 2021, 10.00 am Wiltshire Council
28/04/2021	<i>Audit & Governance</i> Statement of Accounts 2019/20 Report	Agenda for Audit and Governance Committee on Wednesday 28 April 2021, 10.00 am Wiltshire Council
11/10/2021	<i>Audit & Governance</i> Update on the Statement of Accounts 2019/20 Report	Agenda for Audit and Governance Committee on Monday 11 October 2021, 3.00 pm Wiltshire Council
24/11/2021	<i>Audit & Governance</i> Update on the Statement of Accounts 2019/20 Report; and Retender of External Audit Contract Report	Agenda for Audit and Governance Committee on Wednesday 24 November 2021, 10.00 am Wiltshire Council
15/02/2022	<i>Full Council</i> Retendering of External Audit Contract report	Agenda for Council on Tuesday 15 February 2022, 10.30 am Wiltshire Council
01/03/2022	<i>Audit & Governance</i> Report to those charged with governance (ISA260) 2019/20; and Statement of Accounts 2019/20 Report	Agenda for Audit and Governance Committee on Tuesday 1 March 2022, 10.30 am Wiltshire Council
27/04/2022	<i>Audit & Governance</i> Statement of Accounts 2019/20 – Chairman's Announcements	Agenda for Audit and Governance Committee on Wednesday 27 April 2022, 10.00 am Wiltshire Council
21/07/2022	<i>Audit & Governance</i> Update Report – including National Issues holding up Accounts	Agenda for Audit and Governance Committee on Thursday 21 July 2022, 10.00 am Wiltshire Council
24/11/2022	<i>Audit & Governance</i> Public Sector Audit	Agenda for Audit and Governance Committee on

	Appointments (PSAA) Update – Chairman’s Announcements	Wednesday 23 November 2022, 10.00 am Wiltshire Council
26/04/2023	<i>Audit & Governance</i> Statement of Accounts 2019/20 update – Chairman’s Announcements	Agenda for Audit and Governance Committee on Wednesday 26 April 2023, 10.30 am Wiltshire Council
25/07/2023	<i>Audit & Governance</i> Accounts & Audit Update Report; and Annual Governance Statement 2022/23	Agenda for Audit and Governance Committee on Tuesday 25 July 2023, 2.30 pm Wiltshire Council
19/09/2023	<i>Audit & Governance</i> Accounts & Audit Update Report	Agenda for Audit and Governance Committee on Tuesday 19 September 2023, 2.30 pm Wiltshire Council

10. Officers continue to work with the current external auditors, Deloitte to ensure we draw to conclusion the outstanding accounts in the most efficient and effective manner, considering the regulatory requirements on both the council and the auditors.
11. Longer term change is required to address the underlying issues and challenges to prevent a recurrence of backlogs in the future. This will include addressing workforce issues and ensuring proportionate financial reporting requirements, auditing and regulatory requirements are in place. All further updates will be reporting through to the Audit and Governance committee.

Lizzie Watkin
Director of Finance & Procurement (S151 Officer)

Perry Holmes
Director of Legal & Governance