

## Wiltshire Council

### Audit and Governance Committee

19 September 2023

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**Subject: Accounts and Audit Update report**

#### **Executive Summary**

This report is an update on the Accounts and Audit backlog position following a briefing note that updated the committee on a statement released from Lee Rowley MP (parliamentary Under-Secretary for State for Local Government and Building Safety).

Following this statement some proposed 'backstop' dates have been presented to councils and this report sets these out for information for the committee.

#### **Proposal(s)**

It is recommended that the Audit & Governance Committee note the update on the Accounts and Audit backstop dates for the outstanding accounts.

#### **Reason for Proposal(s)**

The responsible financial officer is required to approve and publish the Statement of Accounts for the Council by the deadlines set out in regulation, or as soon as reasonably practicable after the receipt of the auditor's final findings. Nationally there is a significant backlog in the approval of outstanding Accounts and government and other stakeholders have been working together to find a solution to reset the system and this report provides an update on this work and proposals.

Andy Brown

**Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)**

## Wiltshire Council

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#### Purpose of Report

1. This report is an update on the Accounts and Audit backlog position following a briefing note that updated the committee on a statement released from Lee Rowley MP (parliamentary Under-Secretary for State for Local Government and Building Safety) so that those charged with governance are aware of the current proposals being considered.

#### Relevance to the Council's Business Plan

2. The responsible financial officer, the council's Section 151 Officer, is required to approve and publish the Statement of Accounts for the council by the deadlines set out in regulation, or as soon as reasonably practicable after the receipt of the auditor's final findings. Providing updates to those charged with governance as significant delays exist to achieving this publication is an important element of transparent public reporting.

#### Background

3. The Audit and Governance Committee have received regular reports that set out the delays the council has faced in approving the 2019/20 Statement of Accounts that had a statutory deadline for approval was 30 November 2020.
4. The delays the council has faced are not unique and nationally in excess of 500 external audit opinions remain outstanding dating back to 2015/16. Government have recognised the need for action in addressing the backlog and a statement was released from Lee Rowley MP (parliamentary Under-Secretary for State for Local Government and Building Safety) that set out a summary of the suggested actions that are being considered. A briefing note was circulated to the committee on 26 July 2023 that set a summary of the topics raised in the statement and is included as Appendix A.

#### Main Considerations for the Council

5. Following the release of the statement, council officers joined a call with the Department for Levelling Up, Housing and Communities that set out deadline dates for conclusion of the outstanding accounts, referred to as 'backstop dates' and included in the table below.

<b>Statement of Accounts year</b>	<b>Proposed backstop date</b>
Up to and including 2019/20	31/12/2023
2020/21 & 2021/22	31/03/2024
2022/23	30/08/2024

6. These backstop dates will ensure that focus is given to the most relevant and recent accounts and provide a mechanism to allow the outstanding accounts to draw to conclusion, although debate is on-going on the regulatory capacity for this.

### **Overview and Scrutiny Engagement**

7. No overview and scrutiny engagement has taken place due to the statutory nature of the Statement of Accounts and Audit process. Those charged with governance are responsible for the review and approval of all matters concerning the annual accounts.

### **Safeguarding Implications**

8. There are no safeguarding implications associated with this report.

### **Public Health Implications**

9. There are no public health implications associated with this report.

### **Procurement Implications**

10. There are no procurement implications associated with this report.

### **Equalities Impact of the Proposal**

11. There are no equalities impacts arising from this report.

### **Environmental and Climate Change Considerations**

12. There are no environmental and climate change considerations arising from this report.

### **Risks that may arise if the proposed decision and related work is not taken**

13. The annual Statement of Accounts are required to be approved and published by the deadlines set out in regulation or as soon as reasonably practicable after the receipt of the external auditor's final findings report. The 2019/20 accounts and audit process remaining outstanding means that the ability to progress the accounts and audit process for 2020/21 is limited and results in further delay to this process and all subsequent accounts. The statutory deadline for publishing audited accounts in respect of the council's outstanding accounts were as follows:

- 2019/20 accounts - 30 November 2020;
- 2020/21 - 30 September 2021;
- 2021/22 accounts - 30 November 2022; and
- 2022/23 accounts - 30 September 2023.

## **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

14. Council officers continue to work with the external auditors to bring the Accounts and Audit process for 2019/20 to conclusion and will progress work required to meet the 'backstop dates' for the remaining outstanding Accounts.

## **Financial Implications**

15. The continuing external audit process exposes the council to on-going costs associated with the use of specialist, experienced agency staff to manage the continuing audit queries and process and additional audit fees as a result of the continuing audit and will continue to incur additional costs and liabilities until the audit concludes.
16. There are no direct financial implications as a result of the non-publication or late signing off of the council's accounts.

## **Legal Implications**

17. Regulation sets out the publication requirements for Local Authority Accounts and the council is unable to meet these requirements due to the on-going issues. Notices are published on the council's website giving detail of the late publication for the outstanding accounts.

## **Workforce Implications**

18. Additional in-house and external resource has been and continues to be committed to the work to conclude the outstanding Accounts.

## **Options Considered**

19. Accounts will be concluded in line with guidance and regulation set by Government and other regulators. We await final confirmation of this and there are no other options to consider.

## **Conclusions**

20. It is recommended that Audit and Governance Committee note the contents of this report and its appendix.

## **Andy Brown**

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

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## **Appendices**

Appendix A – Accounts and Audit backlog statement – Briefing Note July 2023

## **Background Papers**

None