

Wiltshire Council

Audit and Governance Committee

5 December 2024

Subject: 2022/23 Statement of Accounts Update

Executive Summary

The council has faced significant issues with progressing the production of the outstanding accounts and has reported to the Audit & Governance Committee regularly to inform those charged with governance the position and expectations of progress of the outstanding accounts and contextual regulatory changes.

The council is not alone with issues that have been faced and a national backlog has been seen. As a mechanism to tackle and clear the backlog of accounts and audit processes government issued new regulation that set out “backstop dates” to allow accounts and audit process to be concluded without the need for the usual regulatory substantive and substantial audit processes.

The date set for the “backstop” for the accounts for the 2022/23 financial year is 13 December 2024. To meet this date the council must still produce draft accounts and allow for the statutory public inspection period, which is 30 working days. This means that the council was required to publish draft accounts by Friday 1 November 2024. The council did not meet this deadline and at the time of writing this report the council had still not published draft accounts for that financial year.

Proposal(s)

It is recommended that the Audit & Governance Committee note the contents of this report.

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. Where these regulations are not met it is critical that the committee receives updates from officers.

Lizzie Watkin

Interim Director of Resources and S151 Officer

Wiltshire Council

Audit and Governance Committee

5 December 2024

Subject: 2022/23 Statement of Accounts Update

Purpose of Report

1. This report sets out the position for the 2022/23 Statement of Accounts and explains the expectation of the process following the publication of the draft accounts.

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.

Background

3. The council has faced delays to the accounts and audit processes and seen several financial years of accounts remaining outstanding. The council is not alone in this and nationally Local Government has experienced significant delays in the publication of approved, audited accounts. Sector representatives and stakeholders have been debating approaches to clear this national backlog and the Audit & Governance Committee have been updated many times on the council's outstanding accounts and the proposed cross-system approach of implementing statutory "backstop dates" to manage the significant national backlog of audit opinions.
4. Formal consultations were issued earlier in the year and government on 30 July 2024 [announced its intentions](#) to pursue proposals to address the local audit backlog. In parallel to publishing response to the consultation feedback, regulations were laid in Parliament as well as, on behalf of the Comptroller and Auditor General and the National Audit Office (NAO), a new Code of Audit Practice.
5. The date set out within this new regulation for all accounts and audit processes up to and including the financial year 2022/23 to be completed is 13 December 2024 and is known as the "backstop date" for those accounts.
6. The council is required to meet its regulatory requirements to publish draft accounts and allow the statutory public inspection period of 30 working days before this "backstop date", which meant that the council was required to publish draft accounts by 1 November 2024. Due to on-going delays on the publication of the previous years' accounts, alongside managing on-going audit queries, delays on receiving asset valuations and a delay in receiving accounts from its companies to be able to produce Group Accounts the council failed to meet the

1 November deadline for publishing draft accounts for 2022/23. At the time of writing this report draft accounts were still not published, although this has remained a significant priority, with significant resources dedicated to this.

7. It is expected that draft accounts for 2022/23 will be published to be able to complete a public inspection period so that a report can be presented to the meeting of the Audit & Governance Committee on 17 January 2024. The council continues to work with the external auditors, Deloitte, to progress and bring the accounts and audit process to conclusion.

Overview and Scrutiny Engagement

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

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

11. Matters of performance associated with External Audit Services is managed through the Public Sector Audit Appointments (PSAA) contract.

Equalities Impact of the Proposal

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

Environmental and Climate Change Considerations

13. 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

14. The annual 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 regulations that set out the statutory "backstop dates" confirm the date for the accounts and audit conclusion as 13 December 2024.

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

15. 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.

Financial Implications

16. The sub-standard original draft accounts for 2019/20 and prolonged external audit process has exposed the council to ongoing significant costs associated with the use of specialist, experienced agency staff to manage correcting the errors and misstatements and the continued and repetitive audit queries and process. These agency staff members have been critical in progressing the backlog and remain in place to conclude all outstanding accounts and audit processes to support the substantive members of staff. The continued audit process has resulted in additional audit fees that are determined through the PSAA contractual arrangements and arbitration.

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.
18. As soon as practicable the council will publish the remaining accounts that are overdue and will allow inspection of those accounts through public inspection periods, so that they are in line with the statutory requirement to allow public access and scrutiny. Notifications of these accounts' publications and public inspection periods will be available on the council's website.

Workforce Implications

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

Options Considered

20. Accounts are concluded in line with guidance and regulation set by Government and other regulators. 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. There are no other options to consider.

Conclusions

21. It is recommended that Audit and Governance Committee note the contents of this report.

Lizzie Watkin

Interim Corporate Director of Resources and S.151 Officer

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Appendices

None

Background Papers

Audit & Governance Committee – 23 July 2024 – Statement of Accounts / Backstops Update report - [\(Public Pack\)Agenda Document for Audit and Governance Committee, 23/07/2024 13:30](#)