

Wiltshire Council

Audit and Governance Committee

18 February 2025

Subject: 2022/23 Statement of Accounts Approval

Executive Summary

The council has faced significant issues with progressing the production of the outstanding accounts for the financial years 2020/21, 2021/22, 2022/23 and 2023/24 and has reported to the Audit & Governance Committee regularly to inform those charged with governance the position and expectations of progress of those 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 audit processes.

The date set for the “backstop date” for all outstanding accounts up to and including the 2022/23 financial year was 13 December 2024. To have met this date the council must produce draft accounts and allow for the statutory public inspection period, which is 30 working days. The council is also required to approve the accounts and approve all necessary documents that support this process.

The council has published draft accounts for 2020/21 and 2021/22 and the period of public inspection has concluded and accounts were approved at the meeting of this committee on 5 December 2024. The draft accounts for 2022/23 were not published in time so that the public inspection period had concluded and the audit process had also not been completed by that date. Although the accounts and audit processes were expected to be complete so that they could be approved at the meeting of this committee on 17 January 2025 this did not happen and an update was provided at that meeting. The accounts have now completed the 30 working day public inspection period and it is expected that the External Auditors ISA260 report and Annual Audit report (AAR) is due to be received prior to the committee meeting on 18 February (this meeting). The council is expecting that the auditors are issuing a ‘disclaimer of opinion’.

It is critical that the process for the 2022/23 is drawn to conclusion as soon as practicably possible and therefore these accounts and all necessary document is required to be approved. The council is expecting to receive the ISA260 report from the External Auditors any day.

Proposal(s)

It is recommended that the Audit & Governance Committee:

1. Delegate approval of the following items to the S151 Officer in consultation with the Chair of the Audit & Governance Committee to allow the accounts and audit processes to draw to final conclusion:
 - a. The Letters of Representation for the 2022/23 financial year for both Wiltshire Council and Wiltshire Pension Fund.
 - b. The Statement of Accounts 2022/23.
2. Approve an amendment to the Annual Governance Statement (AGS) that refers to previous accounts expected audit opinions and ratify that no other amendments are required to the Annual Governance Statement for 2022/23 (Appendix A).

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.

Lizzie Watkin

Corporate Director of Resources and S151 Officer

Wiltshire Council

Audit and Governance Committee

18 February 2025

Subject: 2022/23 Statement of Accounts Approval

Purpose of Report

1. This report requests delegation to the S151 officer in consultation with the Chair of the Audit & Governance Committee to approve the accounts for the financial years 2022/23 and all associated documentation to allow the conclusion of the accounts and audit processes for this financial year and be able to published final approved accounts.
2. The report also requests approval of amendments to the Annual Governance Statements issued for that year in reference to the audit opinions for the preceding financial years.
3. It is expected that the ISA260 report and the Annual Auditors Report from the External Auditor will be presented to this same committee meeting, prior to the approval processes. The council is expecting that the auditors are issuing a 'disclaimer of opinion'.

Relevance to the Council's Business Plan

4. 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

5. 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.
6. 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.

7. 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.
8. The council published draft accounts for the financial years 2020/21 and 2021/22 and the public inspections periods for these accounts concluded, accounts were approved, and final approved accounts were published by the backstop date.
9. The council published draft accounts for the 2022/23 financial year on 29 November 2024 and the public inspection period has now concluded.
10. The External Auditor is expected to present their ISA260 report at this committee which draws the audit process to conclusion and allows the council to approve the accounts. As discussed at previous committee meetings and as included earlier in this report it is expected that the auditors are issuing a ‘disclaimer of opinion’.
11. Due to timings, not all documentation is available, and it is therefore being requested that delegation is given to the S151 Officer to complete all final approvals and allow all documentation to be signed to conclude the accounts and audit processes.
12. Following a review by the auditors, that includes a consistency review there have been some minor amendments to the draft Statement of Accounts to correct matters of accuracy, such as an amendment to Note 43 (Critical Judgments in applying accounting policies) to set out that Stone Circle is now material and group accounts have been produced. The original Annual Governance Statement refers to auditor’s opinions that were expected to be issued. Since those dates and as reported to this committee the council is now accepting disclaimer of opinions from the External Auditor and the AGSs need updating to reflect this, as it did for the previous years. The original wording can be seen in the draft accounts and is included in Appendix A alongside the recommended wording for approval.

Overview and Scrutiny Engagement

13. 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 and responsible for the approval of the accounts.

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities Impact of the Proposal

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

Environmental and Climate Change Considerations

18. 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

19. 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. This date has not been met and it is critical that the final approved accounts are published as soon as possible.

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

20. 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

21. The sub-standard original draft accounts for 2019/20 and prolonged external audit process has exposed the council to 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. Additional resource has been sourced to support the production of the 2024/25 accounts as the financial year that will re-set the process and allow the council and auditors to meet all due regulatory requirements.

Legal Implications

22. 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.

23. As soon as practicable the council will publish the remaining accounts that are overdue and will allow inspection of those accounts through public inspection,

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

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

Options Considered

25. 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

26. It is recommended that Audit and Governance Committee approve the delegation requested and approve the amendments to the AGSs for those years so they can be concluded and the "backstop date" met.

Lizzie Watkin

Corporate Director of Resources S.151 Officer

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10/02/2025

Appendices

Appendix A – Annual Governance Statement 2022/23 wording amendment
Appendix B – Statement of Accounts 2022/23

Background Papers

Audit & Governance Committee – 5 December 2024 – Agenda Item 5 Statement of Accounts - [\(Public Pack\)Agenda Document for Audit and Governance Committee, 05/12/2024 10:30](#)