



**Committee and Date**

Audit Committee  
23<sup>rd</sup> November 2023

Item

Public



# Approval of the Council's Statement of Accounts 2022/23

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<b>Cabinet Member</b> (Portfolio Holder):	Cllr Gwilym Butler, Finance & Corporate Support

## 1. Synopsis

This report provides for the approval of the 2022/23 Statement of Accounts, following completion of the audit of the accounts.

## 2. Executive Summary

2.1. For 2022/23 the statutory deadlines for publishing the final audited accounts was 30<sup>th</sup> September with unaudited accounts needing to be published by 31st May. It was identified during audit planning that external audit would be unable to work to the 30<sup>th</sup> September deadline due to delays in available audit resources whilst the audit sector work through the backlog of public sector audits highlighted and acknowledged by the Public Sector Audit Appointments. This was highlighted to Audit Committee in the September 2023 meeting and the auditors stated that they would be aiming to complete the audit by 30<sup>th</sup> November.

2.2. The audit on the 2022/23 Statement of Accounts is substantially complete and the auditors are planning to provide an unqualified audit on the Statement of Accounts as follows:

“In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2023 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

2.3. Grant Thornton have produced the Audit Findings Report on the 2022/23 Statement of Accounts which will be presented as a separate paper on this Audit Committee's agenda.

### **3. Recommendations**

- 3.1. Consider and approve the 2022/23 Statement of Accounts and that the Chairman of the Audit Committee signs them (in accordance with the requirements of the Accounts and Audit Regulations 2015).
- 3.2. Agree that the Executive Director of Resources be authorised to make any minor adjustments to the Statement of Accounts prior to publication of the audited Statement of Accounts.
- 3.3. Agree that the Executive Director of Resources and the Chairman of the Audit Committee sign the letter of representation in relation to the financial statements on behalf of the Council and send to the External Auditor.

## **Report**

### **4. Risk Assessment and Opportunities Appraisal**

- 4.1. Details of the potential risks affecting the balances and financial health of the Council are detailed within the Statement of Accounts that has been subject to audit. The Audit Findings Report highlights that the audit work has been focussed on the significant risk areas identified for the audit.

### **5. Financial Implications**

- 5.1. This report considers the overall financial position of the Authority in the form of the Council's Statement of Accounts. The accounts consider the level of assets controlled and owned by the Authority, and the level of balances of held.

### **6. Climate Change Appraisal**

- 6.1. The information contained within this report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaptation.

## 7. Background

- 7.1. The Accounts and Audit Regulations 2015 state that members are required to approve the annual accounts following the completion of the audit of the accounts.
- 7.2. A copy of the 2022/23 Audited Statement of Accounts is attached at Appendix 1. The Council's external auditors, Grant Thornton, have audited the accounts between the periods June to November. The audit of the accounts is substantially complete and the Auditor has indicated that an unqualified audit opinion will be issued on the accounts, subject to the successful completion of the outstanding matters.
- 7.3. Audit Committee received a report on the progress of the audit of the accounts on the 28<sup>th</sup> September 2023, highlighting that one amendment to the draft accounts had been made during the course of the audit relating to revised IAS19 figures. Following the triennial valuation impacting on the 2021/22 accounts.
- 7.4. The audit has now been substantially completed and there are further minor changes required to the Statement of Accounts as outlined below. It should be noted that following the changes to the IAS19 figures, there have been no further changes required to the Core Financial Statements.

Value in Draft Accounts (£'000)	Amendment (£'000)	Value in Final Accounts (£'000)	Section in Statement of Accounts Amended
<b>Notes to the Core Financial Statements</b>			
n/a	n/a	n/a	Note 1 Accounting Policies 1.14 Heritage Assets - detail has been reduced significantly
n/a	n/a	n/a	Note 1 Accounting Policies 1.19 Financial Assets - changed terminology of financial assets in line with the Code.
n/a	n/a	n/a	Note 1 Accounting Policies 1.25 Group Accounts – additional detail regarding intragroup transactions included
n/a	n/a	n/a	Note 4 Assumptions about Estimates – references included to other Notes detailing the carrying amounts of the assets/liability
70,235	684	70,919	Note 17 Capital Expenditure and Financing Property Plant and Equipment
(8,971)	(684)	(9,655)	Minimum Revenue Provision
n/a	n/a	n/a	Note 19 Leases – removed section relating to PFI as no longer required within this Note.
26,969	616	27,585	Note 20 Financial Instruments Cash and cash equivalents
324,264	(37,048)	287,216	Fair value of Loans/Borrowings

<b>Value in Draft Accounts (£'000)</b>	<b>Amendment (£'000)</b>	<b>Value in Final Accounts (£'000)</b>	<b>Section in Statement of Accounts Amended</b>
146,203	(9,461)	136,742	PFI and finance lease liabilities
n/a	n/a	n/a	Note 34 Officer Remuneration -amended bandings of exit packages
254	(30)	224	Note 35 External Audit Costs – amended in line with confirmed audit costs in Audit Findings Report
n/a	n/a	n/a	Note 46 Contingent Liabilities – additional contingent liability added in relation to RAAC.
<b>Group Accounts</b>			
n/a	n/a	n/a	G.10 Pension Liability – additional table added to recognise pension liability in the Comprehensive Income and Expenditure Statement
<b>Collection Fund</b>			
235,213,779	54,235	235,268,014	Note 3 Non Domestic Rates – amended rateable value figure.
<b>Pension Fund Accounts</b>			
n/a	n/a	n/a	Audit amendments made within the Pension Fund Accounts have now been reflected within the Pension Fund section of the Statement of Accounts. These were minor changes to disclosures and presentational adjustments with no amendments required to the prime financial statements.

7.5. There have also been other minor typographical errors corrected throughout the Statement of Accounts.

## 8. Letter of Representation

8.1. The Council is required to produce a letter of representation for the external auditors which provides assurance that the information submitted within the accounts is accurate and that all material information has been disclosed to the auditors. External audit will only sign off the accounts once this letter has been received.

8.2. For Shropshire Council, this letter is produced in consultation with the external auditor, and it is proposed that this is signed by the Executive Director of Resources and the Chairman of the Audit Committee on behalf of the Council.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Audit Committee, 22<sup>nd</sup> June 2023 – Approval of the Council's Draft Statement of Accounts 2022/23

Audit Committee, 28<sup>th</sup> September 2023 – Approval of the Council's Statement of Accounts 2022/23

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**Local Member:** *All*

**Appendices** [Please list the titles of Appendices]

Appendix 1 - Audited Statement of Accounts 2022/23

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