



Report to Audit Committee

Meeting Date 17 September 2024

Key Decision No

Public/Private Public

Portfolio Cllr Barbara Cannon, Executive Member - Financial Planning & Assets

Directorate Resources

Lead Officer Catherine Bell, Chief Finance Officer

Allerdale Borough Council – Audited Statement of Accounts 2022-23

Summary:

The purpose of this report is to present Allerdale Borough Council's audited 2022-23 Statement of Accounts for members' consideration and approval. The Authority's Statement of Accounts is included at Appendix 1.

Recommendations:

Following consideration of the statement of accounts included in Appendix 1, members of the Audit Committee are recommended to:

- (i). approve the Statement of Accounts and that following approval the Chair of the Audit Committee signs and dates the Statement of Accounts
- (ii). approve, subject to receipt of the signed audit opinion, publication of the Statement of Accounts.

Reason for Recommendation:

Following the end of the year to which the statement of accounts relates the Accounts and Audit Regulations 2015 (as amended) require Cumberland Council (as the successor body to Allerdale Borough Council):

- (a) to consider, either by way of a committee or by the members meeting as a whole, the statement of accounts
- (b) following that consideration, to approve the statement of accounts by a resolution of that committee or meeting

- (c) following approval, to ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval was given.

Tracking

Audit Committee	17 September 2024
Scrutiny:	N/A
Council:	N/A

1. Introduction and Background

- 1.1 The Accounts and Audit (England) Regulations 2015 (SI 2015/234) (the Accounts and Audit Regulations), as amended, require:
- the Authority to prepare a statement of accounts for each financial year in accordance with proper practices in relation to accounts
 - the Responsible Financial Officer (the s151 Officer) to sign and date the statement of accounts and confirm that it presents a true and fair view of the financial position of the Authority at the end of the year to which it relates and of its income and expenditure for that year.
- 1.2 Following local government reorganisation on 1 April 2023 responsibility for preparation of Allerdale Borough Council's 2022-2023 Statement of Accounts transferred to Cumberland Council as successor body to Allerdale Borough Council.
- 1.3 As the successor body to Allerdale Borough Council, Cumberland Council is also responsible for discharging the following requirements contained in the Accounts and Audit Regulations in relation to Allerdale Borough Council's 2022-23 Statement of Accounts:
- (a) to consider either by way of a committee or by the members meeting as a whole the statement of accounts
 - (b) following that consideration, to approve the statement of accounts by a resolution of that committee or meeting
 - (c) following approval, to ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval was given.
- 1.4 Prior to approval of the audited statement of accounts by members, the Accounts and Audit Regulations require the Responsible Financial Officer (Chief Finance Officer) to re-certify that the statement of accounts present a true and fair view of the Authority's financial position and financial performance.
- 1.5 The term 'consider' is not defined or expanded upon in the regulations. However, the requirement for members to consider the accounts, rather than simply to approve them signals that members should actively participate in reviewing the statements prior to approving them. In considering the accounts members should:
- have a broad understanding of the content of the accounts, (including details of any changes made to the accounts during the audit)

- be satisfied that the accounts are consistent with other financial information they may have received (and with their knowledge of the Authority's activities), and
- be satisfied with the answers given by the Chief Finance Officer (s151 officer) to specific questions relating to the accounts.

1.6 In considering the accounts, CIPFA's Audit Committee Guidance recommends the following key areas are included amongst those which members may wish to focus on when undertaking their review:

- (i). reviewing the narrative report to ensure:
 - it is consistent with the statements and with the financial challenges & risks facing the authority, and that
 - it is readable and understandable by a lay person
- (ii). considering the suitability of accounting policies and seeking explanations for any changes in accounting policies
- (iii). reviewing those areas where a significant level of judgement has been exercised when applying the accounting policies (e.g. provisions)
- (iv). monitoring trends and reviewing the statements for consistency with what is known about the financial performance of the Authority over the course of the year
- (v). considering significant adjustments reported by the external auditor.

1.7 After approving the statement of accounts the Authority is required publish (which must include publication on the Authority's website), no later than the deadline set out in the Accounts and Audit Regulations:

- (a) the statement of accounts together with any certificate or opinion, entered by the local auditor in accordance with section 20(2) of the Local Audit and Accountability Act 2014
- (b) the annual governance statement approved in accordance with regulation 6(2) of the Accounts and Audit Regulations, and
- (c) the narrative statement prepared in accordance with regulation 8.

1.8 The Accounts and Audit (Amendment) Regulations 2022 (SI 2022/708), came into force on 22 July 2022 and extended the deadline for publishing audited local authority accounts from 31 July to 30 September for 6 years, taking effect for the 2022-23 accounts and ending once the 2027-28 accounts have been completed.

1.9 Where the audit of the accounts has not been concluded before the specified date (i.e. 30 September for the 2022-23 statement of accounts) publication of the audited statement accounts must take place as soon as reasonably practicable after the receipt of the auditor's opinion.

2. The Statement of Accounts

2.1 The Authority's Statement of Accounts for 2022-23, prepared in accordance with proper practices in relation to accounts, are included in Appendix 1 to this report. Proper practices are defined in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003/3146) (as amended) and primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23, supported by International Financial Reporting Standards (IFRS).

2.2 The financial statements comprise of four primary statements (the Comprehensive income & expenditure statement, Movement in reserves statement, Balance sheet and Cash flow statement) and supporting notes. The notes to the financial statements, include a summary of significant accounting policies (section 6) and other explanatory information (section 3). This includes narrative descriptions and analysis of items included in the primary statements alongside other information related to items not recognised in the statements.

2.3 In addition to the four statements listed above the Statement of Accounts also include:

- a Collection Fund statement (section 4) - showing the transactions in respect of council tax and business rates during the year. This is included in section 4.
- Group accounts (section 5) - which combines the income & expenditure, balances and cash flows of the Authority with those of the Authority's three subsidiaries (Allerdale Waste Services Limited, Helena Thompson Museum and Keswick Museum & Art Gallery), and its one joint venture comprising Allerdale Investment Partnership LLP and its subsidiary companies.

2.4 Issued alongside the Statement of Accounts is the Narrative report and Statement of Responsibilities (section 1) and the Annual Governance Statement (section 7).

2.5 The Authority's unaudited Statement of Accounts for 2022-23 were certified by the s151 Officer (Chief Officer - Assets) and authorised for issue on 29 September 2023. Following certification the accounts were published on the Authority's website, along with the draft Annual Governance Statement and Narrative Report, on 2 October 2023, ahead of the scheduled date for commencement of the external audit by Grant Thornton UK LLP. Following completion of the audit the audited statements were re-certified by the s151 officer on 17 September 2024 in accordance with the requirements of the Accounts and Audit Regulations.

2.6 Following receipt of the signed audit opinion from the Authority's external auditors, the audited Statement of Accounts will be published as soon as is reasonably practicable. To meet the requirements of the Accounts and Audit Regulations this will include publication on the Authority's website.

3 Amendments to the Statement of Accounts

3.1 The Chief Finance Officer and senior finance staff have worked with Authority's external auditors Grant Thornton to address matters raised during the audit process and, where necessary, made amendments to the Authority's Statement of Accounts in advance of their publication.

3.2 The audited Statement of Accounts included at Appendix 1 incorporate all agreed amendments to the unaudited Statement of Accounts authorised for issue on 29 September 2023 and submitted for audit on 3 October 2023.

3.3 Details of the amendments made to the statements and other significant issues arising from the audit process are summarised in the external auditor's Audit Findings Report, which is presented alongside this report.

4. Alternative options considered

4.1 Not applicable to this decision/report.

5. Conclusion and reasons for recommendations

5.1 Following consideration of the statement of accounts included in Appendix 1, members of the Audit Committee are recommended to:

(i). approve the Statement of Accounts and that following approval the Chair of the Audit Committee signs and dates the Statement of Accounts

(ii). approve, subject to receipt of the signed audit opinion, publication of the Statement of Accounts.

- 5.2 Following the end of the year to which the statement of accounts relates the Accounts and Audit Regulations 2015 (as amended) require Cumberland Council, as the successor body to Allerdale Borough Council:
- a) to consider, either by way of a committee or by the members meeting as a whole, the statement of accounts
 - b) following that consideration, to approve the statement of accounts by a resolution of that committee or meeting
 - c) following approval, to ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval was given.

6. Implications

Contribution to the Cumberland Plan Priorities - Not applicable to this decision/report.

Relevant Risks - Not applicable to this decision/report

Consultation / Engagement - Not applicable to this decision/report.

Legal - Legal and governance issues are set out in the main body of this report.

Finance - Financial issues and implications are included within the main body of this report.

Information Governance - There are no information governance issues arising from this decision/report.

Impact Assessments - Not applicable to this decision/report.

7. Contact details:

Contact Officer: Barry Lennox, Senior Manager - Finance

Email: Barry.Lennox@cumberland.gov.uk

8. Appendices attached to this report:

Appendix 1- Allerdale Borough Council Audited Statement of Accounts 2023-23

9. Background papers - None.