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| <b>REPORT TO:</b>        | Audit and Governance Committee  |
| <b>DATE:</b>             | 18 <sup>th</sup> March 2024   |
| <b>SUBJECT:</b>          | Approval of Financial Statements 2022/23  |
| <b>PURPOSE:</b>          | To seek approval for the Annual Governance Statement for inclusion with the Council's published Financial Statements, and approval of the Audited Financial Statements 2022/23 for publication. |
| <b>KEY DECISION:</b>     | No  |
| <b>REPORT OF:</b>        | Christine Marshall Deputy Chief Executive (Corporate Development) & S151  |
| <b>REPORT AUTHOR:</b>    | Nicole Hayes, Senior Finance Business Partner (Corporate) – PSPS Ltd  |
| <b>WARD(S) AFFECTED:</b> | All   |
| <b>EXEMPT REPORT?</b>    | No  |

#### **SUMMARY**

The audited Financial Statements 2022/23 are required to be approved by the Committee and the S151 Officer prior to publishing on the Council's website, as per the Accounts and Audit Regulations.

#### **RECOMMENDATIONS**

It is recommended that Audit and Governance Committee:

- 1) Approve the Financial Statements 2022/23 (Appendix A).
- 2) Approve the Annual Governance Statement 2022/23.
- 3) Authorise the S151 Officer, in consultation with the chairman of the Committee, to approve any amendments if required, after the Committee date and prior to the official signing of the Financial Statements.

#### **REASONS FOR RECOMMENDATIONS**

To update the Committee on the progress for publishing the Financial Statements 2022/23.

To meet corporate governance best practice and statutory reporting requirements.

## **OTHER OPTIONS CONSIDERED**

To approve the audited Financial Statements and the Annual Governance Statement.

Not to approve the Financial Statements.

There is a statutory requirement for the Financial Statements to be approved and published by 30 September 2023, or as soon as reasonably practicable after receipt of the auditors final findings (if later).

## **1. BACKGROUND**

- 1.1** The unaudited 2022/23 Financial Statements were approved by Audit and Governance 13 July 2023 with delegated authority given to the S151 Officer, in consultation with the Chairman of the Committee, to approve any amendments, if required, after the Committee date and prior to the official signing of the accounts.
- 1.2** The audited Financial Statements are presented to committee for their review and approval.
- 1.3** The Accounts and Audit Regulations 2015 statutory deadline for approval of the Financial Statements is 30 September 2023 for all local authorities.
- 1.4** Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015 allows for the results of the 2022/23 audit to be considered by the Audit and Governance Committee after which the final audited 2022/23 Financial Statements will be published.

## **2. REPORT**

- 2.1** The external audit of the Financial Statements for the year ended 31 March 2023 is now substantially complete, and the Statements are attached as Appendix A. At the time of writing this report, there are some areas of outstanding work. The Audit Results report from Mazars on this agenda provides the areas of audit focus which remain outstanding.
- 2.2** A small number of adjustments were made to the audited Financial Statements to ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.
- 2.3** An adjustment has been made to the S106 income not yet due to be recognised of £1.174m. This is shown on the balance sheet as a long term liability.
- 2.4** There are two audit differences that remain unadjusted.
  - Boston's share of the difference identified during the Lincolnshire Pension Fund audit resulting in an overstatement of the pension liability of £0.148m.
  - An extrapolated assumption as a result of a receipt in advance entry recognising the income in the appropriate financial years in compliance with a lease agreement resulting in an overstatement of £0.053m for both debtors and receipts in advance.

## **Annual Governance Statement**

- 2.5** The Annual Governance Statement was signed by the Leader of the Council and Chief Executive on 30 May 2023. This Committee is requested to approve the final statement to allow it to be published with the Financial Statements.

### **3. CONCLUSION**

- 3.1** The external audit is drawing to a conclusion and the Financial Statements are therefore being presented to the Committee for review and approval.

### **EXPECTED BENEFITS TO THE PARTNERSHIP**

Strengthened governance arrangements.

### **IMPLICATIONS**

#### **SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP**

None.

#### **CORPORATE PRIORITIES**

None.

#### **STAFFING**

None.

#### **WORKFORCE CAPACITY IMPLICATIONS**

None.

#### **CONSTITUTIONAL AND LEGAL IMPLICATIONS**

The Accounts and Audit Regulations 2015 and the Accounts and Audit Amendments Regulation 2022 (SI 2015/234) define these arrangements.

#### **DATA PROTECTION**

None.

#### **FINANCIAL**

There are no financial implications as a result of this report. The audit of the Financial Statements provide external validation that the stewardship of public funds has been undertaken effectively, and that the statutory reporting requirements laid out in the accounting code of practice have been followed.

The Financial Statements presented in Appendix A are currently being subject to a final verification by the external auditors. Minor presentational issues may arise in this process and an approved final version will be submitted to the chair of the Committee for signature.

## **RISK MANAGEMENT**

The Council's risk management arrangements are reflected in the Annual Governance Statement.

The audit process has identified some areas where improvements are necessary, and these will be implemented for the production of future Financial Statements.

## **STAKEHOLDER / CONSULTATION / TIMESCALES**

None.

## **REPUTATION**

None.

## **CONTRACTS**

None.

## **CRIME AND DISORDER**

None.

## **EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

None.

## **HEALTH AND WELL BEING**

None.

## **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

None.

## **LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER**

None.

## **ACRONYMS**

CIPFA – Chartered Institute of Public Finance and Accounting

6.1.1 PSPS Ltd – Public Sector Partnership Ltd

### **APPENDICES**

Appendices are listed below and attached to the back of the report: -

*APPENDIX A*

*Audited Financial Statements 2022/23*

### **BACKGROUND PAPERS**

Background papers used in the production of this report are listed below: -

**Document title**

**Where the document can be viewed**

CIPFA Accounting Code of Practice  
2021/22 and supporting Guidance Notes

CIPFA public guidance document

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| <b>CHRONOLOGICAL HISTORY OF THIS REPORT</b> |
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| None. |
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| <b>REPORT APPROVAL</b> |  |
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|----------------|---|
| Report author: | Nicole Hayes, Senior Finance Business Partner<br>(Corporate) – PSPS Ltd<br><a href="mailto:Nicole.Hayes@pspsl.co.uk">Nicole.Hayes@pspsl.co.uk</a> |
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| Signed off by: | Christine Marshall Deputy Chief Executive<br>(Corporate Development) & S151 |
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| Approved for publication: | Christine Marshall Deputy Chief Executive<br>(Corporate Development) & S151 |
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