



REPORT TO:	Audit and Governance Committee
DATE:	8 th July 2024
SUBJECT:	Unaudited Financial Statements 2023/24 including Narrative Report and Annual Governance Statement
PURPOSE:	To present the unaudited Financial Statements including Narrative Report and Draft Annual Governance Statement for the Committee's review, in line with best practice.
KEY DECISION:	N
REPORT OF:	Christine Marshall Deputy Chief Executive (Corporate Development) & S151
REPORT AUTHOR:	Nicole Hayes, Senior Finance Business Partner (Corporate) – PSPS Ltd
WARD(S) AFFECTED:	N/A
EXEMPT REPORT?	No

SUMMARY

This report requests that the Audit and Governance Committee review and consider the unaudited Financial Statements 2023/24 including the Annual Governance Statement.

RECOMMENDATIONS

It is recommended that as part of its governance role, the Audit and Governance Committee consider the Unaudited Financial Statements 2023/24 including the Annual Governance Statement (Appendix A).

REASONS FOR RECOMMENDATIONS

To comply with best practice.

OTHER OPTIONS CONSIDERED

None.

1. BACKGROUND

- 1.1 The Accounts and Audit Regulations 2015 require that
- The Responsible Finance Officer (Section 151 Officer) signs the unaudited Financial Statements no later than 31 May each year; and
 - The Financial Statements be considered and approved by a committee of the Council no later than 31 July each year.
- 1.2 To continue the Council's good practice, this report presents the unaudited Financial Statements including Annual Governance Statement to the Committee to enable comments, facilitate challenge and to highlight any key areas.

2. REPORT

- 2.1 The Financial Statements production is complete and shown at Appendix A is the unaudited version of the 2023/24 Financial Statements (this includes the Comprehensive Income and Expenditure Statements, Movement in Reserves Statement, and Balance Sheet as at 31 March 2024, along with the Annual Governance Statement).
- 2.2 The timescales involved with the approval, inspection and audit of the Council's Financial Statements for 2023/24 are:
- | | |
|---|-----------------|
| • S151 Officer signed Statements | 31 May 2024 |
| • Accounts available for Public inspection from | 3 June 2024 |
| • Unaudited Financial Statements to Committee | 8 July 2024 |
| • Audit by KPMG LLP commences | July 2024 |
| • Financial Statements approved by Committee | To be confirmed |
| • Auditor's opinion on Statements issued by | To be confirmed |
- 2.3 The Accounts have been prepared in accordance with the Code of Practice and the Council's accounting policies, which were brought to the Committee for its consideration in March 2024.
- 2.4 The draft Annual Governance Statement is presented within the unaudited Financial Statements.
- 2.5 The net worth of the Council, as shown in the Balance Sheet, increased by £19.781m and this is also reflected in the Comprehensive Income and Expenditure Statement. The main reasons are set out in paragraph 2.6.
- 2.6 The major changes in the Balance Sheet at the year end, considered significant enough to warrant specific reference, are:
- A decrease of £15.449m in Long Term Borrowing due to the debt redemption of PWLB loans. The discount received will be credited to the General Fund balance in accordance with statutory arrangements for spreading the benefit to Council Tax over a 10 year period.

- An increase of £9.638m in Short-Term Creditors as a result of the Levelling Up Funding (LUF) projects.
- The net movement of Short Term-Investments and Cash and Cash Equivalents of £8.169m is attributed to the increase in capital grants received which have yet to be applied. This has also contributed to the movement in Capital Grants Unapplied Reserve.

2.7 BBC's 19% share of PSPS Ltd has been consolidated into the group accounts of the Financial Statements.

3. CONCLUSION

3.1 The Committee are asked to review and consider the unaudited Financial Statements 2023/24 including the Annual Governance Statement.

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

As contained in the unaudited Financial Statements at Appendix A.

RISK MANAGEMENT

None.

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

6.1.1 LUF – Levelling Up Funding

6.1.2 PSPS Ltd – Public Sector Partnership Ltd

6.1.3 CIPFA – Chartered Institute of Public Finance and Accountancy

APPENDICES

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

APPENDIX A

Unaudited Financial Statements 2023/24

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
2023/24 and supporting Guidance Notes

Available from the Financial Services department

CHRONOLOGICAL HISTORY OF THIS REPORT

None.

REPORT APPROVAL	
Report author:	Nicole Hayes, Senior Finance Business Partner (Corporate) – PSPS Ltd Nicole.Hayes@pspsl.co.uk
Signed off by:	Christine Marshall Deputy Chief Executive (Corporate Development) & S151
Approved for publication:	Christine Marshall Deputy Chief Executive (Corporate Development) & S151