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# Financial Update Report

Audit & Risk Committee

Decision to be taken by: N/A

Date of Meeting: 28<sup>th</sup> September 2022

Lead director: Colin Sharpe, Deputy Director of Finance

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## Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: [amy.oliver@leicester.gov.uk](mailto:amy.oliver@leicester.gov.uk)
- Report version number: 1.0

### 1. Purpose of Report and Summary

- 1.1. To provide an update on the progress of the statement of accounts and external audit for 2020/21 and 2021/22.
- 1.2. To ask members to note the decision of the Monitoring Officer to appoint Bipon Bhakri as an independent member of the Committee, and to support him in the role.

### 2. Recommendations

- 2.1. The Committee is asked to note the contents of the report and the update provided on the progress of the external audit.
- 2.2. The Committee is asked to support Bipon Bhakri in his role as the independent member.

### 3. Report

#### Statement of Accounts 2020/21

- 3.1. As members may recall, the statement of accounts was approved at your meeting in September 2021. As reported subsequently to the Committee, national issues have delayed the issuing of the final external audit opinion.
- 3.2. The first issue relates to the valuation of infrastructure assets in our accounts, in particular how expenditure is accounted for when we are improving existing infrastructure. There has since been a CIPFA consultation on how the matter might be resolved, and a working group has also been set up. However, no solution has yet been identified, and until a national resolution is found the external auditors cannot issue an audit opinion on our accounts (or those of other affected authorities).
- 3.3. In addition, the Government has delayed issuing the information we are required to supply for the national “Whole of Government Accounts” exercise. In turn, this has delayed the issuing of an audit opinion.

#### Statement of Accounts 2021/22

- 3.4. The committee received the draft accounts at your July meeting. At that time, the external audit was underway. An update on progress is provided at Appendix A of this report.

3.5. It should be noted that issuing an external audit opinion for 2021/22 will be delayed for the same reasons as the 2020/21 accounts.

**Independent Member**

3.6. As reported at your July meeting, the Chair and Deputy Director of Finance were seeking an independent member to sit on the committee. Subsequently, Bipon Bhakri has been identified as a suitable candidate and his appointment has been approved by the Monitoring Officer. Bipon is experienced in both local government and finance, and has demonstrated that he has the necessary skills. The Committee is asked to support him in his new role.

**4. Financial, legal, equalities, climate emergency and other implication**

4.1. Financial implications

The report provides details on the financial issues.

Amy Oliver, Head of Finance, ext 37 5667

4.2. Legal implications

There are no direct legal implications arising from the recommendations contained in this report.

Kamal Adatia, City Barrister & Head of Standards, ext 37 1401

4.3. Equalities implications

4.4. Climate Emergency implications

4.5. Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

N/A

**5. Other Implications**

<u>OTHER IMPLICATIONS</u>	<u>YES/NO</u>	<u>PARAGRAPH REFERRED</u>
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	

Crime and Disorder	No	
Human Rights / People on low incomes	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

**6. Background papers:**

Agendas and Minutes of the Audit & Risk Committee meetings

**7. Summary of Appendices:**

Appendix A – External Audit Progress Update

**8. Consultations**

**9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

**10. Is this a “key decision”? If so, why? No**