
Statement of Accounts & Annual Governance Statement 2023/24

Governance and Audit Committee

Decision to be taken by: Governance & Audit Committee

Date of meeting: 11 February 2025

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Kirsty Cowell
- Author contact details: Kirsty.cowell@leicester.gov.uk
- Report version number: 1

1. Summary

- 1.1 To seek the approval of the Committee for Council's Annual Governance Statement & Annual Accounts 2023/24.
- 1.2 To provide the Committee with an update from the External Auditor, which details their audit work and any recommendations.

2. Recommended actions/decision

- 2.1 The Governance & Audit Committee is recommended to:
 - Note the auditor's ISA 260 Report (the Audit Findings Report) to those charged with Governance and the recommendations contained within it, attached at Appendix 1.
 - Approve the Statement of Accounts 2023/24, Appendix 2
 - Approve the Annual Governance Statement 2023/24, Appendix 2.
 - Approve the Letter of Representation submitted by the Director of Finance (S151), attached at Appendix 3.
 - Delegate authority to approve any minor amendments to the Annual Accounts and the Annual Governance Statement to the Director of Finance, subject to a report to the Committee at the next meeting.

3. Scrutiny / stakeholder engagement

- 3.1 N/A

4. Background and options with supporting evidence

- 4.1 The Accounts & Audit (England) Regulations 2015 required that the Council presented its audited Statement of Accounts along with its Annual Governance statement for approval annually by the 31 July. This is updated by The Accounts and Audit (Amendment) Regulations 2024.
- 4.2 Under the 2024 regulations, the amendments change the dates for authorities to publish their accounts to bring reporting back inline.
 - For the current year 2023/24 we must publish on or before 28 February 2025.

- For future years the dates are laid out in the table below

Year beginning in	Date
2024	27 February 2026
2025	31 January 2027
2026	30 November 2027
2027	30 November 2028

Statement of Accounts

- 4.3 Approval of the Statement of Accounts is delegated to the Governance & Audit Committee by Council and the Statements for 2023/24 are scheduled to be approved at the next meeting of the committee.
- 4.4 The draft (unaudited) 2023/24 accounts were considered by this committee on 7 August 2024.
- 4.5 The statutory accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the UK. Separate management accounts are presented to the Executive and to the Overview Select Committee, which set out the revenue and capital outturn for the authority. The financial position of the authority is presented in a different way in the Statement of Accounts. The outturn reports focus on the in-year financial performance in a format consistent with the Council's budgets, while the Statement of Accounts shows the in-year performance in a standard format adopted by all local authorities, including a balance sheet showing the financial position as at 31 March 2024.
- 4.6 Despite the wide variations in the way the position is presented, the key point is that both the outturn reports and the accounts are consistent.
- 4.7 The asset valuations have caused delays in finalisation although the samples produced for the audit were improved from the 2022/23 accounts.
- 4.8 It is positive that we will receive an unqualified audit opinion and won't require reliance on the backstop. We recognise that there has been issues with this years accounts, there has been lots of hard work by both the valuations and finances team to complete the accounts.
- 4.9 There has been some are national issues and some around the resources we have available. It is recognised that there are improvements required in the process for the statement of accounts, and an improvement action report will be brought to the March meeting. We will be going out to tender for valuations for 2025/26 accounts.

External Audit

- 4.3 The External Auditor's ISA 260 Report (the Audit Findings Report) presents the observations from the audit work undertaken that are significant to the responsibility of those charged with governance to oversee the financial reporting process. ISA is the International Standard on Auditing (UK). The report can be found at Appendix 1.
- 4.4 During the external audit a number of adjustments have been identified and reflected in the attached version to the financial statements attached at Appendix 2, and identified in the audit findings report at Appendix 1. It is important to note that none of these amendments have resulted in a change to the money the Council has available to fund services.
- 4.5 It is an important report and details the conclusions of the external audit and makes recommendations. Management responses to the recommendations are contained within the action plan at appendix D to the report itself.
- 4.6 In the external audit report, there are several areas highlighted yellow or missing information, an addendum updating this will be provided for the meeting.
- 4.7 Key changes made in the statements are identified below:
- Correction of asset valuations, a number of corrections have been made.
 - Correction of a various misclassifications as laid out in the audit findings report at Appendix 1.

Annual Governance Statement

- 4.8 The Annual Governance Statement is presented here for approval. If approved, the Statement will be signed by the Chief Operating Officer and City Mayor and published with the Statement of Accounts.
- 4.9 This is an important statement that should assure the people of Leicester that the Council operated in accordance with the law and has due regard to proper standards of behaviour and that it safeguards the public purse.
- 4.10 The format of the Annual Governance Statement to a large extent is dictated by the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) framework 'Delivering Good Governance in Local Government'.

Letter of Representation

- 4.11 The letter of representation is a letter to the external auditors signed by the Director of Finance (s.151 officer) and approved by the Governance & Audit Committee.
- 4.12 The letter is designed to give the external auditor assurance on the information included in the Statement of Accounts and to affirm that the

primary responsibility for the content of the Statement of Accounts remains with the Council.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

The report is exclusively concerned with financial issues.

Signed: Kirsty Cowell

Dated: 3rd February 2025

5.2 Legal implications

There are no direct legal implications arising from this report.

Signed: Kevin Carter

Dated: 20 January 2025

5.3 Equalities implications

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows: A public authority must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act. To advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, To foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

The Code specifies the principles and practices of accounting required to prepare financial statements which give a true and fair view of the financial position and transactions of a local authority. There are no direct equality implications arising from the report.

Signed: Surinder Singh

Dated: 20 January 2025

5.4 Climate Emergency implications

There are no significant climate emergency implications directly associated with this report.

Signed: Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249

Dated: 17th January 2025

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

N/A

6. Background information and other papers:

None

7. Summary of appendices:

Appendix 1 – Grant Thornton - Leicester City Council Audit Findings Report (AFR)

Appendix 2 - Statement of Accounts and Annual Governance Statement 2023/24

Appendix 3 - Letter of representation

8. 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)?

No

9. Is this a “key decision”? If so, why?

No