

GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday 24 th July 2024
Report Subject	Draft Statement of Accounts 2023/24
Report Author	Corporate Finance Manager

EXECUTIVE SUMMARY

This report presents the Council's Statement of Accounts for the 2023/24 financial year.

The Accounts and Audit (Wales) Regulations 2014 (as amended) specify that the statutory deadline for the approval of the draft Statement of Accounts by the Responsible Finance Officer is 31st May.

Due to the need to account appropriately for asset valuations following a period of high inflation and the impact of the delay in the final certification of the 2022/23 accounts, Welsh Government have again set an extended framework for draft completion of 30th June - the accounts were completed and submitted for audit on 25th June 2024 which is within the framework – as required, a notice explaining the delay has been included on the Council's website.

The draft Statement of Accounts is attached as Appendix 1 for Members' information and will now be audited over the summer prior to the final audited version being brought back to this Committee for final approval on 25th November.

The statutory deadline for publishing the final audited Statement of Accounts for 2023/24 is 31st July 2024, however the temporary framework set out by Welsh Government extends this to 30th November.

Members may discuss any aspect of the draft Statement of Accounts with Officers or Audit Wales throughout the period of audit and a copy of this report and the presentation will be shared with all Members of the Council.

RECOMMENDATIONS

1	Members review the draft Statement of Accounts 2023/24 (which includes the Annual Governance Statement).
2	Members consider the opportunity to discuss any aspect of the draft Statement of Accounts with Officers or Audit Wales during the audit period, prior to the final audited version being brought back to this Committee for final approval on 25 th November.

REPORT DETAILS

1.00	EXPLAINING THE STATEMENT OF ACCOUNTS
1.01	The Accounts and Audit (Wales) Regulations 2014 (as amended) specify that the statutory deadline for the approval of the draft Statement of Accounts by the Responsible Finance Officer is 31 st May. Due to the need to account appropriately for asset valuations following a period of high inflation and the impact of the delay in the final certification of the 2022/23 accounts, Welsh Government have again set an extended framework for draft completion of 30 th June - the accounts were completed and submitted for audit on 25 th June 2024 which is within the framework – as required, a notice explaining the delay has been included on the Council’s website.
1.02	During 2023/24 not all assets valued under the Depreciated Replacement Cost basis have been revalued, only those in the current cycle were revalued in line with our accounting policy. Those assets not revalued were subject to an additional revaluation exercise to ensure the accounts are not materially misstated as at 31 st March 2024.
1.03	The draft Statement of Accounts is attached as Appendix 1 for Members’ information and will now be audited over the summer.
1.04	At the completion of the audit, Audit Wales will provide a report and opinion on the Statement of Accounts. Any required adjustment as a result of the audit will be incorporated into the final version of the Statement of Accounts and the final version will be presented to this Committee on 25 th November for approval.
1.05	The statutory deadline for publishing the final audited Statement of Accounts for 2023/24 is 31 st July 2024, however the temporary framework set out by Welsh Government extends this to 30 th November.
1.06	Over the next three years, Audit Wales plan for a staged return to a 30 th September deadline for the certification of the Accounts, with this being achieved for the 2025/26 Accounts.
1.07	The Council’s draft Statement of Accounts have been prepared in accordance with the requirements of the 2023/24 Code of Practice on Local

	<p>Authority Accounting – which is based on International Financial Reporting Standards (IFRS) and include:</p> <ul style="list-style-type: none"> • The core financial statements and notes comprising – expenditure and funding analysis, comprehensive income and expenditure statement, movement in reserves statement, balance sheet and cash flow statement. • The supplementary financial statements – the housing revenue account income and expenditure statement, movement in reserves statement and notes. • The group accounts – incorporating the financial accounts of North East Wales (NEW) Homes Ltd and Newydd Catering and Cleaning Ltd with that of the Council's. • The Annual Governance Statement.
1.08	The draft Statement of Accounts includes the Annual Governance Statement. This has been included as a separate report elsewhere on this agenda for the Committee to review.
1.09	There were no significant revisions to the 2023/24 Code of Practice.
1.10	Members may discuss any aspect of the draft Statement of Accounts with Officers or Audit Wales throughout the audit period and a copy of this report and the presentation will be shared with all Members of the Council.

2.00	RESOURCE IMPLICATIONS
2.01	Financial implications are as set out in the report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required and none undertaken.

4.00	RISK MANAGEMENT
4.01	<p>The main risk is the Council not being able to meet its statutory deadlines for producing the Statement of Accounts. This is 31st May for the draft version signed by the Responsible Finance Officer, which was not achieved as discussed above; and 31th July for publishing the final version which has been externally audited, by Audit Wales in Flintshire's case. Welsh Government framework allows this to be extended to the deadline of the 30th November.</p> <p>Officers will be working closely with Audit Wales in preparing for the financial audit and to resolve queries arising. Progress will continue to be overseen</p>

	by the Accounts Governance Group, a group of senior officers including the Chief Executive, Monitoring Officer and Section 151 Officer.
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5.00	APPENDICES
5.01	1. Draft Statement of Accounts 2023/24

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: Chris Taylor, Strategic Finance Manager Telephone: 01352 703309 E-mail: christopher.taylor@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>Audit Wales: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p>Financial Audit: The annual external audit of the Council's Statement of Accounts.</p> <p>Financial Year: the period of 12 months commencing on 1 April</p> <p>Statement of Accounts / Final Accounts / Financial Accounts or Statements: The Council's annual finance report providing details of the Council's financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.</p>