

Agenda Item

Subject	Approval of Statement of Accounts 2022/23	Status	For Publication
Report to	Audit & Governance Committee	Date	21 September 2023
Report of	Chief Finance Officer		
Equality Impact Assessment	Not Required	Attached	n/a
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1 Purpose of the Report

- 1.1 To approve the audited Statement of Accounts 2022/23.
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2 Recommendations

- 2.1 Members are recommended to:
- a. **Approve the Statement of Accounts 2022/23**
 - b. **Authorise the Chair of the Audit & Governance Committee to sign the Statement of Accounts on behalf of the Authority**
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3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:

Effective and Transparent Governance

to uphold effective governance showing prudence and propriety at all times.

- 3.2 The approval and publication of the Statement of Accounts enables the Authority to demonstrate the proper administration of its financial affairs and the effective use of its resources.
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4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report address the risk identified in the Corporate Risk Register that the Authority fails to meet specific regulatory requirements.

5 Background and Options

- 5.1 Regulation 9 (2) of the Accounts and Audit Regulations 2015 (as amended) requires the Statement of Accounts to be approved by a resolution of a Committee of the Authority.

- 5.2 The Authority has designated the Audit & Governance Committee as the committee to approve the Statement of Accounts.

Statutory Deadlines for Publication of the Statement of Accounts

- 5.3 Officers planned a timetable for the production of the Authority's 2022/23 accounts in accordance with the statutory deadline dates of 31 May for the draft accounts, and 30 September for publication of the audited accounts. It is considered very important that we prepare our accounts as early as possible given that the four district Councils and other large employers in the scheme are reliant on the completion of the audit on the Fund accounts and receipt of assurances from our auditor before their own audits can be completed.
- 5.4 This was discussed with our external auditor, Deloitte, who agreed to commit to working with us to achieve these deadlines.
- 5.5 The draft Statement of Accounts 2022/23 was authorised for issue on Wednesday 31 May 2023, meeting the statutory deadline for this financial year. The deadline for the audited accounts to be published is 30 September 2023.

Statement of Accounts

- 5.6 The accounts have been prepared following the "Code of Practice on Local Authority Accounting in the United Kingdom 2022/23" issued by the Chartered Institute of Public Finance and Accountancy (the Code).
- 5.7 The Code constitutes the "proper accounting practices" required by Section 21(2) of the Local Government Act 2003 and deviations from it will usually lead to a qualified audit opinion. The Authority is required to prepare a Statement of Accounts in compliance with the Accounts and Audit Regulations made under Section 32 of the Local Audit and Accountability Act 2014 and therefore has a statutory duty to comply with the Code requirements.
- 5.8 In accordance with Section 26 of the Local Audit and Accountability Act 2014 the accounts were open to public inspection and for objections or questions from local electors for 30 days (from 1 June to 12 July) and no objections or questions from local electors were received.
- 5.9 The accounts are subject to audit by Deloitte LLP who is the auditor appointed by Public Sector Audit Appointments Limited. Deloitte LLP has conducted its audit and prepared their audit status report in accordance with *International Standards on Auditing (United Kingdom and Ireland) 260 - Communication to those charged with governance*, which is elsewhere on the agenda. At time of writing, the audit work is substantially complete with only finalisation procedures and audit consideration of IAS 26 and IAS 19 Defined Benefit Pensions Liability disclosures not yet completed.
- 5.10 The Statement of Accounts comprises the accounts of the Authority itself as an organisation, in addition to the accounts of the Pension Fund for the year (the Fund accounts).
- 5.11 During the course of the audit, a small number of amendments to the accounts were agreed as set out below. The amended, audited Statement of Accounts is attached as Appendix A to this report.

Amendments to the Accounts

- 5.12 Authority Accounts – Accounting Policies and Critical Judgements
- 5.13 Note 2a to the Authority Accounts provides details of the accounting policies followed when preparing the statement of accounts. The details for the accounting policy in relation to Post Employment Benefits (shown under policy [v] Employee Benefits) were updated to explain how remeasurements relating to the 'Effect of the Asset Ceiling' are

accounted for. This had not been applicable in previous years; it was added this year due to the fact that the funded defined benefit pensions obligation of the Authority moved from a liability at 31 March 2022 to an asset at 31 March 2023, requiring an adjustment for the effect of the asset ceiling set out in Note 24 to the accounts.

- 5.14 A new Note 2b was added to supplement the Statement of Accounting Policies with a note on *Critical Judgements in Applying Accounting Policies* which identified where certain judgements have had to be made relating to complex transactions. Linked to the above, this was not previously relevant in the Authority's accounts but the accounting for the asset ceiling on the defined benefit pensions obligation in this year's accounts required critical judgements to be made relating to the application of accounting policies and therefore this note has been added to explain the judgements made.

Authority Accounts – Officer Remuneration

- 5.15 Note 19 to the Authority accounts provides details of officer remuneration. The note has been amended to insert a column for Compensation for Loss of Office which had been omitted in error in the draft statement of accounts, and to amend the 2022/23 figures shown for the remuneration of the Assistant Director – Pensions accordingly.

Authority Accounts – External Audit Costs

- 5.16 Note 21 to the Authority Accounts provides details of the external audit costs. The note in the draft accounts disclosed an amount of £7k in relation to estimated additional fees accrued for the 2022/23 audit; as we are in discussions with the external auditor regarding such fees. However, the figure in the disclosure was estimated based only on previous year fees, as the amount for any additional fee in 2022/23 has yet to be proposed by the auditor and will require approval by Public Sector Audit Appointments (PSAA); therefore, at the auditor's request, the note has been amended, changing this amount to Nil.

Fund Accounts – Reconciliation of Investment Movements

- 5.17 Note 14b to the Fund Accounts is a disclosure that provides a reconciliation of the movements in investments and derivatives. An error was found in the presentation of the figures for 'sales during the year and derivative receipts' whereby sales and receipts amounting to (£440,000k) were included in the total for Equities incorrectly, as they were actually sales and receipts of Pooled Investment Vehicles.
- 5.18 The sales and receipts figure for Equities has been amended from (£463,535k) to (£23,535k) and for Pooled investment Vehicles from (£437,371k) to (£877,371k).
- 5.19 These amendments to the figures in the 'Sales during the year and derivative receipts' column are also reflected in the figures for total Change in value during the year in this note.

Minor Presentational Amendments

- 5.20 Throughout the Authority and Fund accounts, a number of minor typographical and wording amendments have also been made.

6 Implications

- 6.1 The proposals outlined in this report have the following implications:

Financial	The Statement of Accounts sets out the financial position of the Authority at 31 March 2023 and its income and expenditure for the year then ended.
Human Resources	None
ICT	None

Legal	Approval of the 2022/23 Statement of Accounts will ensure compliance with the Accounts and Audit Regulations 2015 (as amended).
Procurement	None

Gillian Taberner

Chief Finance Officer

Background Papers	
Document	Place of Inspection
None	-