

Blaby District Council

Audit and Corporate Governance Committee

Date of Meeting	6 February 2025
Title of Report	Approval of the Audited Accounts 2023/24
Report Author	Finance Group Manager

1. What is this report about?

- 1.1 Provides Members with the draft report of the external auditors setting out the results of the audit of accounts for 2023/24.
- 1.2 The report seeks approval for delegated authority for the Section 151 Officer in conjunction with the Chair of this Committee to formally approve the accounts upon final completion of the audit.

2. Recommendation(s)

- 2.1 That the draft report of the external auditors, appearing at Appendix A is accepted.
- 2.2 That the Committee grants delegated authority to the Executive Director (Section 151) in consultation with the Chair of the Audit and Corporate Governance Committee to approve and sign off the Council's audited Financial Statement, appearing at Appendix B.

3. Reason for Decision(s) Recommended

- 3.1 To bring to Members' attention the findings of our external auditors, Azets in relation to the audit of the 2023/24 accounts.
- 3.2 The Accounts and Audit Regulations 2015 require local authorities to have their 2023/24 accounts approved by a resolution of "a committee or by the members meeting as a whole", and no later than 28th February 2025.

4. Matters to consider

4.1 Background

The Council is required to prepare its annual accounts in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United

Kingdom (the Code), and also in line with International Financial reporting Standards (IFRS). The reason for this to attempt to produce the accounts in a standardised and consistent format across both the public and private sectors, and to give greater transparency to stakeholders.

The Accounts and Audit Regulations 2015 set out the requirements and timelines for production of the unaudited accounts, as well as approval and production of the audited accounts.

Since the onset of Covid-19, local authorities in general have experienced significant delays with the timely completion of the audit of accounts.

On 30 September 2024 The Accounts and Audit Regulations 2015 were amended via The Accounts and Audit (Amendment) Regulations 2024, to introduce backstop dates by which point local public bodies must publish audited accounts, to address the Audit backlog.

At that time the Council had outstanding Accounts for 2020/21, 2021/22 and 2022/23. The back stop date for the outstanding accounts was confirmed as 13th December 2024.

The Council's Audited Financial Accounts for 2020/21, 2021/22 and 2022/23 were presented on 25th November at Extraordinary Meeting, Audit and Corporate Governance Committee with the Auditor's (Ernst and Young) report, and delegated authority was given to the Executive Director (Section 151) in consultation with the Chair of the Audit and Corporate Governance Committee to approve and sign off the outstanding accounts once all outstanding matters were finalised. Following the end of the notice period the Accounts for 2020/21, 2021/22 and 2022/23 were approved and signed on 12th December 2024.

The backstop date for the approval and publication of the 2023/24 audited accounts is 28th February 2025.

4.2 Audit of Accounts

The Councils Auditors for the 2023/24 Accounts, Azets have been working with the Finance Team to undertake the Audit from November 2024.

Azets are required to comply with the Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies. The Code requires them to produce a "Report to Those Charged with Governance". The report documenting their findings is attached at Appendix A.

Azets set an overall materiality threshold of £731,000 for the purposes of the audit of accounts for 2023/24. However, they are required to report any misstatements that are not "clearly trivial".

The misstatements highlighted to officers are set out below.

- **Collections Fund Levy** – A correction to the calculation of the Collection fund levy has been made, due to 2 cells missed on the working paper. This was highlighted to members in the Unaudited Accounts report presented in July 2024. The net outturn position was unaffected.
- **Capital Funding** – A correction has been made to the Capital funding of the fleet vehicle replacement programme. £805,623 was reflected as funded via capital receipts, this has been amended to correctly reflect prudential borrowing. The net outturn position was unaffected.
- **Elections expenditure** – A correction has been made due to the elections control account not being cleared at year end and a coding correction of grant funding which had been transferred to the elections reserve. The net outturn position has been impacted, and the revision is shown in Appendix C. Overall an additional £25,544 has been added to General fund balances, and the elections reserve balance reduced by £120,989. The amended Earmarked reserves as at 31.03.2024 is shown at Appendix D.

Officers have not had sufficient time to review and respond to the recommendations set out in the Auditors report, therefore to enable this to be undertaken, it is requested for delegated authority to the Executive Director (Section 151) in consultation with the Chair of the Audit and Corporate Governance Committee for any minor amendments to be made, and to approve and sign off the Council's audited Financial Statement, appearing at Appendix B.

5. What will it cost and are there opportunities for savings?

- 5.1 Scale fees are detailed in the completion report. The final fees are to be confirmed, and Azets will be liaising with Public Sector Audit Appointments Ltd (PSAA Ltd) to discuss and agree.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
That the Audit and Corporate Governance Committee does not accept the draft accounts.	Officers have worked closely with the auditors to ensure that the accounts are free from material misstatement.
That the 2023/24 Accounts will not be signed and published by the backstop date.	Delegated authority is sought to allow the Executive Director (S151) to make any final amendments to the accounts, in consultation with the Chair of Audit & Corporate Governance Committee, prior to final sign off and publication of the accounts.

7. Other options considered

7.1 None

8. Other significant issues

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

9. Appendix

9.1 Appendix A – Blaby District Council Audit Completion Report

9.2 Appendix B – Audited Statement of Accounts 2023/24 and Annual Governance Statement

9.3 Appendix C – Outturn Summary 2023/24

9.4 Appendix D – Earmarked Reserves 2023/24

10. Background paper(s)

None.

11. Report author's contact details

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