

Report to: Audit & Governance Committee Meeting 19 February 2025

Director or Business Manager Lead: Sanjiv Kohli, Deputy Chief Executive, Director of Resources and S151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services on ext 5317

Report Summary	
Report Title	Approval of the Statement of Accounts
Purpose of Report	To obtain approval of the Council's Statutory Accounts for the financial year ended 31 March 2024.
Recommendations	<p>Members approve the Annual Governance Statement for the financial year ended 31 March 2024</p> <p>Members approve the Audited Statement of Accounts for the financial year ended 31 March 2024</p> <p>Members note that as per the previous report the s151 Officer and the Chairman have signed the Letter of Representation.</p>
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 Background Information

- 1.1 In accordance with the Accounts and Audit Regulations 2015 there is a legal requirement that the Statement of Accounts for the Council receive approval by an appropriate Committee by the 30 September following the end of the financial year to which the Accounts relate. In accordance with the Council's Constitution and the remit of this Committee, the Statement of Accounts is brought to this Committee for approval.
- 1.2 The contents of the accounts are largely determined by statutory requirements and mandatory professional standards as set out within the 'Code of Practice on Local Authority Accounting' and 'Standard of Professional Practice on Financial Reporting' published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The CIPFA Code of Practice is based on International Financial Reporting Standards (IFRS).

- 1.3 The appendix should be read in conjunction with the External Auditors Completion Report (elsewhere on this agenda). The draft Statement of Accounts was noted by this committee on 31 July 2024, with the amendments agreed with the External Auditors noted within their completion report. The appendix attached therefore includes the original draft set of accounts with the amendments agreed with the External Auditors.

2.0 Approval of the Accounts

- 2.1 Although the regulations require the accounts to be approved by a resolution of a Committee it should be noted that approval in this context has, to some extent, a different meaning from other Committee resolutions. The Responsible Financial Officer (RFO) for the District Council, the Deputy Chief Executive/Director of Resources – S151 Officer, retains responsibility for the preparation of the annual accounts and is required to certify that they present a true and fair view of the financial position of the Council at 31 March 2024.
- 2.2 The aim of the Regulations is for Members to demonstrate ownership of the accounting statements. In order to assist Members in doing this the draft Statement of Accounts were presented at the Committee on the 31 July 2024.
- 2.3 There is a statutory requirement for the accounts of Arkwood Developments Ltd and Active4Today Ltd, the Council's two subsidiary companies, to be combined with the District Council's accounts to produce Group accounts. Also, as per the previous financial year the Council has been required to include its 50% ownership in the group accounts of the joint venture in the company RHH Newark Ltd.

3.0 Changes made to the Statements

- 3.1 There is a requirement that the external auditor, Mazars, provides details of all the errors in the financial statements that need amendment within the Report. Their full Audit Completion Report can be found under agenda item 'External Auditors Completion Report' and Appendix A, section 5 of the appendix fully details the summary of misstatements.
- 3.2 The main areas that audit identified where there was a misstatement relate to capital transactions and the capital accounting requirements, which is naturally a very technical area. None of the identified misstatements had an impact of the General Fund Usable reserves.

Management Letter of Representation

- 3.3 The Council's letter of representation to the external auditor attests to the accuracy of the financial statements submitted to the auditors for their analysis. In essence the letter states that all the information submitted is accurate and that all material information has been disclosed to the auditors. The letter must be signed by the Chairman of the Audit and Accounts Committee and the Responsible Financial Officer. A copy of the letter is attached for information at Appendix B.

Annual Governance Statement

- 3.4 The Council is responsible for ensuring that its business is conducted in accordance with the law and with proper standards; that public money is safeguarded and properly accounted for; and that it is used economically, efficiently and effectively. In accordance with the Accounts and Audit Regulations the Council conducts an annual review of the effectiveness of the system of internal controls and prepares an Annual Governance Statement (AGS).
- 3.5 Following the 2022/23 review of the system of internal control, this Committee considered the draft AGS at its meeting on the 31 July 2024. The AGS has not been amended since that point and is included in the Audited Statement of Accounts at Appendix A.

4.0 Implications

In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

4.1 Legal Implications (LEG2425/3340)

Audit & Governance Committee is the appropriate body to consider the content of this report by virtue of its terms of reference.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None