

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

AUDITED ACCOUNTS 2022-2023

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The council's unaudited accounts were approved by the Director Governance and Communities on 30 May 2023. This met the statutory requirement that they be approved by 31 May 2023.
- 1.2 The accounts have since been audited and the external auditors have set out their findings in their audit completion report. This committee now needs to consider the proposed amendments and approve the changes to the accounts that result from it.
- 1.3 It is expected that the council's external auditors will issue an unqualified opinion on the accounts.
- 1.4 To seek approval to delegate the signing of the Letter of Representation and the Statement of Accounts 2022-23 once all Audit work is complete.

2. BACKGROUND INFORMATION

- 2.1. The Accounts and Audit Regulations 2015 (England) require the council to publish a statement of accounts each financial year. These accounts are the formal statement of the council's financial performance for the year and its financial position at the end of that period. A financial year runs from April to March.
- 2.2. The legislation relating to the timescale for the production and audit of the accounts was amended for the 2020-2021 and 2021-2022 financial years. These changes were incorporated into the Accounts and Audit (Amendment) Regulations 2021 (SI 2021/263).
- 2.3. The production of the draft accounts deadline moved from 31 May to 31 July and the audit completion date moved from 31 July to 30 September during those years.
- 2.4. For 2022-2023 the deadlines reverted back to 31 May for the draft accounts and the 30 September deadline remained for the audited accounts.
- 2.5. The council's unaudited accounts were approved by the Director Governance and Communities on 30 May 2023. This met the statutory requirement that they be approved by 31 May 2023.

- 2.6. The International Standard on Auditing 260 – ‘The Auditor's Communication with Those Charged with Governance (ISA 260)’ requires auditors to report certain matters arising from the audit of the council’s financial statements before giving an opinion on them.
- 2.7. The Audit Completion Report (ACR) from the council’s auditors (Mazars) will be presented separately by Mazars. It will set out the matters arising from the audit of the council’s 2022-2023 accounts.
- 2.8. It is expected that an unqualified opinion on the council’s accounts will be given following the outstanding work being completed.
- 2.9. It is expected that an unqualified opinion on the council’s arrangements for securing Value for Money will be issued but this work is not yet complete.
- 2.10. International Standard on Auditing 580 ‘Management Representations’ requires auditors to obtain written confirmations of appropriate representations from management before the audit report is issued. A proposed letter of representation is included within the Audit Completion Report, which the Committee is asked to approve and authorise the Chair of the Audit Committee and the Director of Finance & S151 Officer (Interim) to sign.
- 2.11. Additionally, IAS 570 requires a specific statement on the applicability of the ‘Going Concern’ concept to the council. The accounts have been prepared on a going concern basis. A review of the applicability of the concept to the council can be seen in a separate report to this Committee.

3. OPTIONS FOR CONSIDERATION

- 3.1. The Statement of Accounts for 2022-2023 be received and approved.
- 3.2. The Audit Committee are also invited to endorse the signing of the Letter of Representation.
- 3.3. Delegate approval to the Chair and the Director of Finance & S151 Officer (Interim) to approve the audited set of accounts on behalf of the Audit Committee following the satisfactory completion of all audit work.

4. ANALYSIS OF OPTIONS

- 4.1. Statutorily the accounts must be approved by the 30 September 2023. The Committee should ask sufficient questions to gain assurance that the draft accounts present fairly the financial position of the council.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

5.1 The accounts present the council's financial position as at 31 March 2023.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1 The Accounts and Audit Regulations 2015 (England), amended by the Accounts and Audit (Amendment) Regulations 2021 (SI 2021/263), require that each authority prepare and approve its accounts by 31 May 2023 and publish them by 30 September 2023. The format and content of the accounts is also governed by the IFRS Code of Practice issued by CIPFA.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1 Not applicable.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 Not applicable.

9. RECOMMENDATIONS

9.1 The Statement of Accounts for 2022/2023 be approved.

9.2 The Audit Committee endorse the signing of the Letter of Representation by the Chair of the Audit Committee and the Director of Finance & S151 Officer (Interim).

9.3 Delegate approval to the Chair of the Audit Committee and the Director of Finance & S151 Officer (Interim) to approve the audited set of accounts on behalf of the Audit Committee following the completion of all audit work.

DIRECTOR: OUTCOMES

Church Square House
30-40 High Street
Scunthorpe
North Lincolnshire
DN15 6NL

Author: Mark Kitching/Sarah Milburn
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Background Papers used in the preparation of this report

- Statement of Accounts 2022/2023
- CIPFA Accounting Code of Practice