



Thursday, 13 February 2025

Report of Councillor Ashley Baxter  
Leader of the Council, Cabinet Member  
for Finance, HR and Economic  
Development

## Statement of Accounts and Annual Governance Statement 2023/24

### Report Author

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### Purpose of Report

The Statement of Accounts 2023/24 is presented to the Governance and Audit Committee for approval. This report covers:

Revised Statement of Accounts

Commentary on the outcome of the audit of the Statement of Accounts

### Recommendations

**It is recommended that the Governance and Audit Committee:**

- 1. Notes the outcome of the audit work undertaken to date by the Council's external auditors KPMG.**
- 2. Delegates authority to the Deputy Chief Executive and s151 Officer (Chief Finance Officer) to make any final wording changes and accounting adjustments following the conclusion of any outstanding audit queries.**
- 3. Delegates approval of the audited Statement of Accounts and the Letter of Representation to the Chairman on behalf of the Governance and Audit Committee in consultation with the Deputy Chief Executive and s151 Officer (Chief Finance Officer) following the completion of the audit of the 2023/24 Statement of Accounts.**

<b>Decision Information</b>	
Does the report contain any exempt or confidential information not for publication?	N
What are the relevant corporate priorities?	Connecting communities Sustainable South Kesteven Enabling economic opportunities Housing Effective council
Which wards are impacted?	All Wards

## **1. Implications**

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance and Procurement***

1.1 The financial considerations are contained in the report and the Statement of Accounts for 2023/24.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

### ***Legal and Governance***

1.2 In accordance with the Accounts & Audit (Amendment) Regulations 2022 the target date for the Statement of Accounts to be approved by the Governance and Audit Committee was 30 November 2024. The reasons why the accounts have not been finalised in accordance with the target date are explained in the report.

Completed by: Graham Watts, Assistant Director (Democratic and Public Protection) and Monitoring Officer

## **2. Background to the Report**

2.1. A report to this Committee in July 2024 set out the reasons for delays in the Council publishing and presenting the Statement of Accounts for audit.

2.2. The issues with delays to local government audits are well documented and have affected the whole sector. The Government introduced back stop dates to try and create a resolution for those authorities with significant backlogs.

2.3. The Council is currently not in that position and the proposals reported to this Committee are for a full opinion from KPMG on the Statement of Accounts 2023/24. The Value for Money assessment was received by this Committee in January 2025.

### **3. Key Considerations**

#### **Audit of the Accounts**

3.1. To comply with the provisions of the Accounts and Audit Regulations 2015, the Council's Statement of Accounts for 2023/24 must be approved by the designated member body, which for the Council is the Governance and Audit Committee.

3.2. The external auditor (KPMG) must complete their audit and issue the relevant audit opinion. KPMG's draft report (ISA260) is a separate item earlier on this agenda. The purpose of the external audit of the financial statements is to give an opinion on:

- whether they present a true and fair view of the financial position of the audited body and its expenditure and income for the year in question.
- whether they have been prepared properly in accordance with relevant legislation and applicable accounting standards.

3.3. Auditors must provide reasonable assurance that, subject to the concept of materiality, the financial statements:

- are free from material misstatements, whether caused by fraud or other irregularity or error.
- comply with the statutory and other requirements applicable to the accounts of the audited body and
- comply with all relevant requirements for accounting presentation and disclosure.

#### **Letter of Representation**

3.4. As part of the overall assurance provided to External Audit a letter of representation is supplied. This is presented at Appendix B. This is largely standard clauses to confirm the Council has fully disclosed all relevant information and acted with due care and reference to the relevant accounting practices in preparing the statements.

3.5. There are no unadjusted audit errors to make the Committee aware of.

#### **Annual Governance Statement**

3.6. The Annual Governance Statement has to be published alongside the Statement of Accounts, although it does not form part of them. The Annual Governance Statement was endorsed at this Committee on 16 July 2024.

3.7. The Annual Governance Statement is reviewed by External Audit to ensure it is consistent with their knowledge of the Council and in line with guidance around compilation and presentation.

3.8. A small number of amendments to enhance disclosures were suggested and implemented in the final version. There are no substantive amendments in terms of identification of further significant governance issues.

#### **Statement of Accounts**

3.9. The 'Narrative Report' section of the Statement of Accounts provides a guide to the most significant matters reported. It explains the Council's financial position and assists in the interpretation of the accounting statements. It provides information about the district, including issues and challenges affecting the Council and its accounts, the political composition, the ambitions of the Council and an overview of the many achievements that have been made to improve the quality of life of the residents, businesses and visitors.

3.10. The draft Statement of Accounts was published on 6 September 2024. The Statement of Accounts has been amended to reflect the changes identified to date and which are listed at table 1.

3.11. An updated set of draft accounts is shown at Appendix A.

### **4. Reasons for the Recommendations**

4.1. Section 21(2) of the Local Government Act 2003 requires the Statement of Accounts to be prepared in accordance with the statutory framework established by the Accounts and Audit Regulations (England) 2015. In accordance with the Accounts and Audit (Amendment) Regulations 2022 once the accounts have been audited, they must be published.

### **5. Consultation**

5.1. The draft accounts were published on the Council's website on 6 September 2024 following which there was a statutory 30 working day consultation period.

## **6. Appendices**

- 6.1. Appendix A – 2023/24 Statement of Accounts
- 6.2. Appendix B – Letter of Representation