

**Audit, Risk and Governance Committee**  
Meeting to be held on Monday, 24 July 2023

Electoral Division affected:  
(All Divisions);

### **Statement of Accounts 2022/23**

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#### **Brief Summary**

The Accounts and Audit Regulations 2015 require the draft statement of accounts for the council to be published for the public to exercise their rights to inspect during the first 10 days of June following the end of the financial year.

Due to the council implementing a new accounting ledger in January 2023 additional work is required to produce the accounts for 2022/23. Furthermore, with the external audit of the 2021/22 accounts still to be finalised, these accounting balances may be subject to change. Therefore, delayed publication is considered appropriate to reduce the amount of time required for any reworking.

It is expected that the external audit of the 2021/22 accounts and the publication of the draft 2022/23 accounts will be completed by the end of July 2023. The planned approach has been discussed with the council's external auditors, Grant Thornton LLP, who are satisfied with the intended approach and have scheduled their audit work accordingly.

#### **Recommendation**

The Audit, Risk and Governance Committee is asked to consider and note the delay to the publication of the council's statement of accounts for the financial year 2022/23.

#### **Detail**

The Accounts and Audit regulations 2015 require the draft statement of accounts for the council to be published for the public to exercise their rights to inspect during the first 10 days of June following the end of the financial year.

Due to the implementation of a new accounting ledger during the financial year, additional work is required to produce the accounts for 2022/23. The implementation



of the new financial system has meant the following additional verification has had to take place before the accounts can be produced:

1. Review balances have been appropriately transferred from the old to the new ledgers;
2. The accounting integration of subledgers have been reconciled to the general ledger; and
3. Review accounting for transactions occurring during the data migration period are complete.

These tasks are considered essential in ensuring accounts can be produced that present a true and fair view of the council's financial position and performance.

New reports have also needed to be developed and tested to allow the verification of balances and to collate working papers supporting the maintenance of appropriate financial reporting standards. Additionally, with the external audit of the 2021/22 accounts still to be finalised, these accounting balances may be subject to change.

Therefore, delayed publication is considered appropriate to reduce the amount of time required for any reworking.

It is expected that the external audit of the 2021/22 accounts and the publication of the draft 2022/23 accounts will be completed by the end of July 2023.

## **Consultations**

The planned approach has been discussed with the council's external auditors, Grant Thornton LLP, who are satisfied with the intended approach and have scheduled their audit work accordingly.

## **Implications:**

This item has the following implications, as indicated:

## **Risk management**

## **Legal**

In accordance with the Local Audit and Accountability Act 2014 the Council must prepare a statement of account in respect of each financial year and these must be audited.

The audit procedure includes the publication of the statement of accounts and a period of time for the public to exercise their right to inspect and raise any objections.

Regulation 15 of the Accounts and Audit Regulations 2015 requires that the commencement of the period for the exercise of public rights takes place on such a day that ensures that the period includes the first 10 working days of June of the



financial year immediately following the end of the financial year to which the statement relates.

As this is not possible, Regulation 15 (1A) requires the council to publish (which must include publication on the authority's website) as soon as reasonably practicable a notice stating that it has not been able to commence the period for the exercise of public rights and its reasons for this; and publish the statement of accounts and commence the period for the public to inspect and raise any objections as soon as reasonably practicable.

Although a statement for information purposes has been placed on the council's website (<https://www.lancashire.gov.uk/council/performance-inspections-reviews/corporate/statement-of-accounts/>) a formal notice will be published.

At this time, this delay to the timetable is not envisaged to affect approving the statement of accounts.

### **Local Government (Access to Information) Act 1985 List of Background Papers**

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

