

CABINET

6 OCTOBER 2023

REPORT OF THE MONITORING OFFICER

A.7 UPDATE ON SECTION 5 REPORT REGARDING EXTERNAL AUDIT DELAYS THAT CAUSED DELAY TO THE PUBLICATION BY THIS COUNCIL OF CERTIFIED ACCOUNTS FOR 2022/23

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To update the Cabinet on the actions taken in response to a breach of a statutory reporting deadline.

EXECUTIVE SUMMARY

Further to the decision taken by the Cabinet at its meeting held on 21 July 2023 (Minute 27 resolution (d) refers) this report provides an update on the actions taken by this Council in response to a breach of a statutory reporting deadline.

This report is based on the Monitoring Officer's Section 5 report, which was submitted to the meeting of the full Council held on 26 September 2023. That report to Council is attached as an Appendix to this report for Members' information and reference.

Since Cabinet's meeting on 21 July 2023, a number of actions / events have occurred with a summary as follows:

- The Council's Statement of Accounts for 2022/23 were published by 1 August 2023, with the period for public inspection therefore commencing on that date. This brought to a close the period where the Council remained in breach of the statutory requirement to publish the Accounts by 1 June 2023.
- Reference to this issue was included within the Annual Governance Statement 2023, which forms part of the Statement of Accounts 2022/23.
- The Government have now published their intended response to the on-going audit delays with further details set out later on in this report. Essentially, the aim behind the Government's proposed approach is to set statutory 'back stop' deadlines that require External Auditors to conclude their audit work and publish either qualified or unqualified opinions based on the level of work they have completed by those statutory deadlines.

Greater detail on the above summarised points can be found in the "Legal Requirements" section of the Monitoring Officer's Section 5 report to Full Council which is attached as an Appendix to this report.

The Chief Executive and the Assistant Director (Finance & IT) & Section 151 Officer have both been consulted on this report, as required by the legislation.

RECOMMENDATION(S)

It is recommended that the contents of this report be NOTED.

REASON(S) FOR THE RECOMMENDATION(S)

In order to enable Cabinet to formally receive an update from the Council's Monitoring Officer on this matter.

ALTERNATIVE OPTIONS CONSIDERED

None - the Cabinet previously decided at its meeting held on 21 July 2023 that an update be provided to it at this meeting.

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

At its meeting held on 21 July 2023, the Cabinet had considered a report issued by the Council's Monitoring Officer, under Section 5 of the Local Government and Housing Act 1989, that had formally informed Members that the Council had, for reasons beyond its control, failed to publish its certified draft accounts for the 2022/23 financial year, by the statutory deadline of 1 June 2023. The Cabinet was required by law to consider that report and to decide what action (if any) to take in response thereto.

Having duly considered the Monitoring Officer's report, Cabinet had formally:-

“RESOLVED that –

- a) the Monitoring Officer's report and the response of the Council's Statutory Officers including the Section 151 Officer's aim to publish the 2022/23 Statement of Accounts by the 31 July 2023 and start the period of public inspection as soon as possible thereafter be endorsed;*
- b) it is noted that this report will be presented to the next meeting of Full Council;*
- c) the matter set out in this report be included within the Annual Governance Statement 2023, which will reviewed by the Audit Committee as part of their work programme;*
- d) Officers be requested to provide an update to the next meeting of Cabinet in October 2023;*
- e) Officers continue to work with partners and all relevant organisations to support a satisfactory resolution to the ongoing External Audit delays;*
- f) the Chief Executive be requested to write to the Chief Executive of this Council's External Auditor to express Cabinet's regret at the on-going audit delays; and*
- g) the Council's Finance Team be thanked for working to their continuing high standards, particularly given the current difficult circumstances with audit delays.”*

The Monitoring Officer later submitted a similar Section 5 report (but including matters that had occurred subsequent to the Cabinet meeting) to the meeting of the Full Council held on 26 September 2023.

Having duly considered the Monitoring Officer's report, full Council had formally:-

“RESOLVED that Full Council –

- (a) notes the contents of the Monitoring Officer's report;
- (b) notes that the 2022/23 Statement of Accounts was published on 1 August 2023 with the period of public inspection starting on that date and that the matters set out in this report were included within the Council's Annual Governance Statement for 2023;
- (c) notes and welcomes the Government's proposed response to the on-going External Audit Delays and that where necessary Officers continue to work with partners and all relevant organisations to support this new approach; and
- (d) formally commends the Council's Finance Team for working to their continuing high standards, particularly given the current difficult circumstances with external audit delays."

PREVIOUS RELEVANT DECISIONS

These are detailed in the Background Section of this report (see above).

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

Monitoring Officer's Section 5 Report to the meeting of the Cabinet held on 21 July 2023.

Published Minutes of the meetings of the Cabinet held on 21 July 2023 and Full Council on 26 September 2023.

APPENDICES

Monitoring Officer's Section 5 Report to the meeting of the Full Council held on 26 September 2023.

REPORT CONTACT OFFICER(S)

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