



## **THIS ITEM IS FOR INFORMATION ONLY**

**(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)**

<b>Title of meeting:</b>	Governance and Audit and Standards Committee Meeting
<b>Subject:</b>	2022/23 Statement of Accounts and Audit Update
<b>Date of meeting:</b>	24 <sup>th</sup> January 2024
<b>Report by:</b>	Richard Webb, Deputy Director of Finance
<b>Wards affected:</b>	All

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### **1. Purpose**

The purpose of this report is to provide Members with an update on the status of the City Council's 2022/23 Statement of Accounts and the related Audit activity.

### **2. Update**

The Accounts were produced and presented to the Auditors in July 2023 and were also published on the Council's website on 28<sup>th</sup> July 2023<sup>1</sup>. The statutory deadline for the completion of the Audit and the issue of the opinion for 2022/23 was 30<sup>th</sup> September 2023.

The Accounts and Audit (Amendment) Regulations 2022 required the City Council to publish its audited Statement of Accounts by 30 September 2023. However, the national delay and backlog of audits in respect of Local Authority accounts, has meant that there has been a delay in the external audit of the City Council's 2022/23 Statement of Accounts. A statement has been published on the City Council's website to explain the current position<sup>1</sup>.

Historically, the Statement of Accounts have been presented to this committee in September alongside the external auditor's Audit Results Report. Once the audit of the 2022/23 Statement of Accounts has been completed, they will be presented to this Committee for approval.

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<sup>1</sup> <https://www.portsmouth.gov.uk/services/council-and-democracy/transparency/transparency-agenda/>



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The government has recognised the national delay in the audit of Local Authorities' accounts for 2022/23 and previous years. On 14th July, the Department for Levelling Up Housing & Communities (DLUHC) published a proposal to address these delays<sup>2</sup> with the aim of "resetting the system", which should clear the audit backlog and ultimately prevent a recurrence of the delays in future years. This is likely to involve setting statutory deadlines for completion of the audit work resulting in qualifications or disclaimers, due to the reduced testing that may be undertaken and therefore the reduced reliance that auditors will be able to obtain from the audit work for many Statements of Accounts. However, at the time of writing, we are still awaiting on the outcome of DLUHC's consultation with sector bodies on the implementation of the proposed actions. An update will be provided to you in due course when we have more information about the way forward.

For context, as at November 2023, the Public Sector Audit Appointments<sup>3</sup> body stated that only 5 of the 467 local government bodies' 2022/23 audit opinions were given at the publishing date of 30 September 2023, meaning that 99% have either not yet been started or work completed, and opinions issued.

In the meantime, if you wish to see the City Council's draft Statement of Accounts for 2022/23 you can find them on the Council's website<sup>1</sup>.

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Signed by (Director)

**Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

<sup>2</sup> <https://committees.parliament.uk/publications/40932/documents/199432/default/>

<sup>3</sup> [www.psa.co.uk](http://www.psa.co.uk)