



Northumberland County Council

Audit Committee

Wednesday, 31 January 2024

Northumberland County Council - Statement of Accounts 2023-24

Report of Councillor(s) Councillor Richard Wearmouth, Deputy Leader and Cabinet Member for Corporate Resources

Responsible Officer(s): Jan Willis, Executive Director for Resources & Transformation (S151)

1. **Link to Key Priorities of the Corporate Plan**

The Council's budget is aligned to the three priorities outlined in the Corporate Plan 2023-26: Achieving Value for Money; Tackling Inequalities and Driving Economic Growth.

2. **Purpose of report**

The purpose of this report is to provide the Audit Committee with:

- a. an overview of the timetable for publishing the 2023-24 Statement of Accounts
- b. an update on the Accounting Policies to be applied in the preparation of the 2023-24 Statement of Accounts.

3. **Recommendations**

3.1 It is recommended that the Members of the Audit Committee:

- a. note the key dates in the final accounts process for 2023-24.
- b. approve the Accounting Policies to be used for the preparation of the 2023-24 Statement of Accounts.
- c. authorise the Executive Director for Resources and Transformation to review the accounting policies as necessary and report any changes to the Audit Committee.

4. **Forward plan date and reason for urgency if applicable**

Not applicable.

5. Key Issues

5.1 Year End Timetable

It is the responsibility of the Executive Director for Transformation and Resources to sign and certify the unaudited Statement of Accounts 2023-24 by no later than 31 May 2024.

It is the responsibility of the Audit Committee to approve the final, or audited, set of accounts on or before 30 September, or as soon as reasonably practicable after the receipt of the external auditor's final findings (if later).

5.2 Accounting Policies

The Accounting Policies applied in the preparation of the 2022-23 Statement of Accounts remain appropriate for the preparation of the 2023-24 Statement of Accounts. The CIPFA Code changes for 2023-24 are considered minor and there are no accounting policies which require amendment as a result of any changes in the Code.

In November 2022, CIPFA/LASAAC issued an *Update to the Code and Specifications for Future Codes for Infrastructure Assets*, providing a temporary relief so that local authorities are not required to report the gross book value and accumulated depreciation for infrastructure assets. This temporary relief is applied from the 2021-22 Code up to and including the Code applicable to the 2024-25 financial year but may also apply to local authority financial statements before this period where the auditor's opinion on those statements has not been given.

Given the above, NCC has continued to prepare for the accounts on the basis of the 2023-24 Code as it stands. It is anticipated that the longer-term solution for the reporting of infrastructure assets will be implemented from 1 April 2025, and in the intervening period NCC continues to consider its information systems and inventories of infrastructure assets and what potential improvements can be made to ensure that asset information is complete.

The full list of accounting policies the Council proposes to disclose in its 2023-24 Statement of Accounts are detailed in Appendix A.

6. Background

6.1 Year End Timetable

6.2 In December 2021, proposed measures were announced by Government to support the timely completion of local government audits and the ongoing stability of the local audit market. The proposals included extending the published/audited deadline to 30 November 2022 for the 2021-22 accounts, then reverting to 30 September for six years beginning with the 2022-23 accounts.

6.3 The statutory deadline for the 2023-24 Statement of Accounts are as follows:

- the responsible financial officer, by no later than 31 May, signs and certifies that the Statement of Accounts presents a true and fair view of the financial

position of the County Council for the year to 31 March previous, prior to the commencement of the period for the exercise of public rights (which includes the first 10 working days in June); and

- on or before 30 September, or as soon as reasonably practicable after the receipt of the external auditor's final findings (if later), approval needs to be given to the Statement of Accounts by resolution of a Committee, which for Northumberland County Council is the Audit Committee. This approval will take into account the views of the External Auditor.

6.4 Accounting Policies

- 6.5 In preparing the annual Statement of Accounts we closely follow CIPFA's Code of Practice for Local Authority Accounting in the UK (the Code), which is based upon approved accounting standards.
- 6.6 The Code is based on International Financial Reporting Standards (IFRS) and has been developed by the joint CIPFA/Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code Board overseen by the Financial Reporting Advisory Board. It is based on approved accounting standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, except where these are inconsistent with specific statutory requirements.
- 6.7 The Code also draws on approved accounting standards issued by the International Public Sector Accounting Standards Board and the UK Financial Reporting Council where these provide additional guidance. The latest edition of the Code applies for accounting periods commencing on or after 1 April 2023. It supersedes the 2022-23 Code.
- 6.8 In England and Wales, the Code constitutes a 'proper accounting practice' under the terms of section 21 (2) of the Local Government Act 2003.
- 6.9 The CIPFA/LASAAC Code Board, overseen by the Financial Reporting Advisory Board, is in a position to issue mid-year updates to the Code. This will only be done in exceptional circumstances.
- 6.10 In November 2022, CIPFA/LASAAC issued an *Update to the Code and Specifications for Future Codes for Infrastructure Assets*, providing a temporary relief so that local authorities are not required to report the gross book value and accumulated depreciation for infrastructure assets. This temporary relief applied from the 2021-22 Code up to and including the Code applicable to the 2024-25 financial year but may also apply to local authority financial statements before this period where the auditor's opinion on those statements has not been given.
- 6.11 It is a requirement of the Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015 for the Statement of Accounts to be produced in accordance with proper accounting practices.
- 6.12 Accounting policies are defined in the Code as "the specific principles bases, conventions, rules and practices applied by an authority in preparing and presenting financial statements".

- 6.13 The proposed accounting policies are in line with those used in the preparation of the 2022-23 accounts.
- 6.14 The CIPFA code changes for 2023-24 are minor, and there are no accounting policies which require amendment as a result of these changes.
- 6.15 Members of the Audit Committee are requested to approve the Accounting Policies as shown within Appendix A.

7. Options open to the Council and reasons for the recommendations

- 7.1 It is recommended that the Members of the Audit Committee:
 - a. note the key dates in the final accounts process for 2023-24.
 - b. approve the Accounting Policies to be used for the preparation of the 2023-24 Statement of Accounts.
 - c. authorise the Executive Director for Resources and Transformation to review the accounting policies as necessary and report any changes to the Audit Committee

8. Implications

Policy	None
Finance and value for money	The report considers the accounting policies for the County Council's Statement of Accounts 2023-24.
Legal	It is a requirement of the Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015 for the Statement of Accounts to be produced in accordance with proper accounting practices.
Procurement	None
Human resources	None
Property	None
The Equalities Act: is a full impact assessment required and attached?	No - no equalities issues identified N/A
Risk assessment	The risks within the preparation of the Statement of Accounts are well managed through the embedded processes in place.
Crime and disorder	None

Customer considerations	None
Carbon reduction	None
Health and wellbeing	The Council's budget is founded on the principle of promoting inclusivity.
Wards	(All Wards);

9. Appendices

9.1 Appendix A – Accounting Policies 2023-24

10. Background papers

Not applicable

11. Links to other key reports already published

[Northumberland County Council Draft Statement of Accounts 2022-23](#)

12. Author and Contact Details

Suzanne Dent,
Email: suzanne.dent@northumberland.gov.uk