



Northumberland County Council

Audit Committee

Wednesday, 26 February 2025

Statement of Accounts 2023-24

Report of Councillor(s) Wojciech Ploszaj, Cabinet Member for Corporate Services

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

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

The Council's budget is aligned to the priorities in the Corporate Plan 2023-26 with significant investment in each of the priorities; achieving value for money, tackling inequalities and driving economic growth as well as specific funding set aside to deliver Best Value through the BEST work.

2. **Purpose of report**

To seek approval of the Council's Statement of Accounts for the financial year ended 31 March 2024.

3. **Recommendations**

- 3.1 It is recommended that Audit Committee approve the Council's Statement of Accounts for the financial year ended 31 March 2024, subject to the matters outstanding in the External Auditor's Audit Completion Report.
- 3.2 It is recommended that Audit Committee approve delegated authority for the Executive Director of Transformation and Resources to agree the outstanding issues detailed in Section 2 of the External Auditor's Audit Completion Report.

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

Not applicable.

5. **Key Issues**

- 5.1 The draft (unaudited) statement of accounts for Northumberland County Council for the financial year ended 31 March 2024 were authorised by the responsible financial officer and published on the Council's website on 31 May 2024.

- 5.2 Approval needs to be given to the final statement of accounts by resolution of the Council's Audit Committee. This approval will take account of the views of the External Auditor. Once approved, the statement of accounts must be published on the Council's website.
- 5.3 The accounts have been subject to review by the External Auditor (Forvis Mazars LLP). A number of amendments have been identified and have been included in the statement of accounts presented today.
- 5.4 The External Auditor intends to issue an unqualified opinion, without modification, on the financial statements of the Council.
- 5.5 The External Auditor anticipates having no significant weaknesses to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources.

6. Background

- 6.1 The published accounts are important in demonstrating the Council's stewardship of public money. They show the resources available to the Council and how they are used to deliver services to the people of Northumberland. The Statement of Accounts for 2023-24 has been compiled in accordance with the Code of Practice on Local Authority Accounting, published by the Chartered Institute of Public Finance and Accountancy.
- 6.2 The Accounts and Audit (Amendment) Regulations 2022 identifies a 2023-24 statutory deadline for the publication of the unaudited accounts and requires the responsible financial officer, by no later than 31 May, to sign and certify that the Statement of Accounts presents a true and fair view of:
 - a) the financial position of the Council for the year to 31 March previous, and
 - b) its expenditure and income for the year to 31 March previous,subject to the views of the External Auditor.
- 6.3 The Accounts and Audit (Amendment) Regulations 2024 laid before Parliament on 9 September 2024, and which came into force on 30 September 2024 identifies a number of backstop dates to address the audit backlog.
- 6.4 The updated legislation identifies the statutory requirement to publish audited accounts on or before the 2023-24 backstop date of 28 February 2025.
- 6.5 Prior to formal publication on the Council's website, 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 account of the views of the External Auditor.
- 6.6 The Council's draft (unaudited) accounts were published on 31 May 2024 in line with the original statutory deadline and were presented to members of the Audit Committee on 31 July 2024.
- 6.7 The External Auditor has now substantially completed the audit of the statement of accounts and the Audit Completion Report is to be presented by the auditor to the Committee today. The External Auditor will provide an update to the Audit

Committee on the significant matters outstanding through issuance of a follow-up letter.

- 6.8 During the audit, working in collaboration with the auditor, a number of amendments were identified which have been included in the statement of accounts presented today.

7. Statement of Accounts

- 7.1 The statement of accounts for the financial year 2023-24 has been prepared in accordance with the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 and 2009, the Accounts and Audit (England) Regulations 2015, the Accounts and Audit (Amendment) Regulations 2022, the Accounts and Audit (Amendment) Regulations 2024 and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.
- 7.2 The Code is based on approved accounting standards in England and constitutes 'proper accounting practice' under the terms of section 21(2) of the Local Government Act 2003. The Council is therefore legally required to follow this code of practice.
- 7.3 During the audit review of the draft statement of accounts, a number of 'misstatements' were identified which have since been amended. These are listed in Section 6 of the Audit Completion Report.
- 7.4 In addition, a number of changes have been made to the notes to the core financial statements to assist the reader's understanding of the document, to correct errors and ensure compliance with the requirements of the Code.
- 7.5 There were a number of non-material misstatements identified which remain unadjusted. These are also listed in Section 6 of the Audit Completion Report. As the unadjusted misstatements do not materially affect the accuracy/integrity of the statement of accounts, no adjustments have been made for these items.
- 7.6 A number of internal control recommendations have also been highlighted during the audit. These are listed in Section 5 of the Audit Completion Report.
- 7.7 Upon completion of the audit of the accounts, a 'letter of representation' will be produced which will contain the reasons for not adjusting any items.
- 7.8 To help Members in reading and interpreting the contents, Appendix 1 to this report briefly explains the purpose of each section of the statement. The Statement of Accounts is attached as Appendix 2.

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

- 8.1 It is a statutory requirement for approval to be given to the Statement of Accounts by resolution of a committee, which for Northumberland County Council is the Audit Committee.
- 8.2 It is recommended that Audit Committee approve the final Statement of Accounts for the Council for the financial year ended 31 March 2024.

9. Implications

Policy	None
Finance and value for money	The Statement of Accounts summarises the financial performance of the Council for the 2023-24 financial year and shows its net worth as at 31 March 2024. The figures included in the Statement of Accounts must represent a true and fair view of the Council's financial position and the External Audit testing and opinion on these figures is a significant part of this process
Legal	The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are functions that are reserved to Full Council
Procurement	There are no direct procurement implications contained within this report
Human resources	There are no direct HR implications contained within this report.
Property	There are no direct property implications contained within this report.
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. Once the accounts are signed off a full "lessons learned" review will be undertaken to inform arrangements for future years.
Crime and disorder	There are no direct crime and disorder implications contained within this report.
Customer considerations	There are no direct customer consideration implications contained within this report.
Carbon reduction	There are no direct carbon reduction implications contained within this report.
Health and wellbeing	The Council's budget is founded on the principle of promoting inclusivity.
Wards	(All Wards);

10. Appendices

Appendix 1 - Guidance document to Statement of Accounts 2023-24

Appendix 2 - Northumberland County Council Statement of Accounts 2023-24

11. Background papers

None

12. Links to other key reports already published

Report to Audit Committee 31 January 2024: Changes to the Code of Practice for Local Authority Accounting in the UK for 2023-24

Report to Audit Committee 31 January 2024: Northumberland County Council – Statement of Accounts 2023-24

Report to Audit Committee 27 March 2024: Statement of Accounts – Group Boundary Review

Report to Audit Committee 27 March 2024: Draft Annual Governance Statement 2023-24

Report to Audit Committee 29 May 2024: Annual Governance Statement 2023-24

Report to Audit Committee 29 May 2024: Draft Statement of Accounts 2023-24

Report to Audit Committee 31 July 2024: The Statement of Accounts for the year ended 31 March 2024

Report to Audit Committee 31 July 2024: Northumberland County Council – Consideration of 'Going Concern Status' for the Statement of Accounts for the year ended 31 March 2024

13. Author and Contact Details

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