

Audit and Standards Committee Report

| | |
|---------------------------|---|
| Title of Report: | 2022/23 Statement of Accounts - Audited |
| Date of Decision: | 6 th December 2024 |
| Report To: | Audit and Standards Committee |
| Report Of: | Philip Gregory, Director of Finance and Commercial Services, Local Authority Section 151 Officer |
| Report Author: | Clair Sharratt, Senior Finance Manager and Ruth Matheson, Finance Manager, Finance and Commercial Services |
| Executive Summary: | The purpose of the report is to communicate any relevant matters arising from the audit completion of the 2022/23 Statement of Accounts to Members. |

Does the report contain confidential or exempt information? No

Recommendations:

The Audit and Standards Committee to note the Sheffield City Council Completion Report for Those Charged with Governance as at 31st March 2023.

The Audit and Standards Committee is recommended to:

1. Approve the Statement of Accounts for 2022/23 as set out in Appendix A, subject to the audit completion requiring no further changes.
2. Notes in accordance with The Accounts and Audit Regulations 2015, the Chair of the Audit and Standards Committee and the Director of Finance and Commercial Services will sign the Statement of Accounts for 2022/23 on completion of the audit by Ernst & Young LLP (EY).
3. Notes the Letter of Management Representations to be submitted to the External Auditor as set out in Appendix B and this will be signed by the Director of Finance and Commercial Services and the Chair of the Audit and Standards Committee.



Financial Implications: No

Legal Implications: No

Equality and Inclusion Implications: No

Climate Change Implications: No

Background Papers: None

Appendices: Appendix A – 2022/23 Audited Statement of Accounts
Appendix B – 2022/23 Letter of Management
Representation



Purpose of this Report

1. The purpose of the following report is to communicate any relevant matters arising from the audit completion of the 2022/23 Statement of Accounts to Members and in acknowledging these findings request that approval is given to allow the Chair to conclude by signing the Letter of Management Representations and the Statement of Accounts following completion by the external auditors, Ernst & Young (EY).

Introduction and Background

2. The Council's 2022/23 Unaudited Statement of Accounts were authorised by the Director of Finance and Commercial Services (Section 151 Officer) on the 31st May 2023 and re-authorised on 16th April 2024, following adjustments identified by officers.
3. The Audit and Standards Committee are asked to note the findings from the separate EY Completion Report, which includes the Council's draft Disclaimed Audit Opinion.
4. As the audit had been delayed, the way forward and a final audit opinion was dependent on legislation changes, which were due following consultations by the Ministry of Housing, Communities and Local Government (MHCLG), National Audit Office (NAO) and Chartered Institute of Public Finance & Accountancy (CIPFA).
5. The Accounts and Audit (Amendment) Regulations 2024 were laid in Parliament on 9th September 2024 and came into force on 30th September 2024. The statutory backstop dates are as follows:

| Financial Year | Statutory backstop date |
|-----------------------|--------------------------------|
| 2022/23 | 13 th December 2024 |
| 2023/24 | 28 th February 2025 |
| 2024/25 | 27 th February 2026 |
| 2025/26 | 31 st January 2027 |
| 2026/27 | 30 th November 2027 |
| 2027/28 | 30 th November 2028 |

6. To comply with the backstop date legislation, we must have published the 2022/23 Statement of Accounts on the Council's website by the backstop date of 13th December 2024. Officers have been working with EY to ensure this deadline is met.

2022/23 Statement of Accounts Audit Completion

7. Since the 2022/23 Unaudited Statement of Accounts were noted by Members at the 25th April 2024 Committee, there have been further presentational adjustments:
 - Disclosure Note 1 – Prior Period Restatement, has been updated to include additional narrative to clarify the section of the Comprehensive Income & Expenditure Statement (CIES) that was restated.
 - Disclosure Note 2 – Events After the Reporting Date, has been updated to include narrative on the Sheffield Role Review Programme (SRRP).
 - Disclosure Note 12 – Grant Income, has been updated to show both short term and long term revenue grants receipts in advance, to remain consistent with the presentation of capital grants receipts in advance.
 - Disclosure Note 23 – Property, Plant & Equipment, 2021/22 comparative figures in the capital commitments table amended to match the prior year statement of accounts.
 - Disclosure Notes 1 and 2 – Council Tax and NNDR, 2021/22 comparative figures in the narrative amended to match the prior year statement of accounts.
 - Annual Governance Statement (AGS), updated to reflect the position during the 2022/23 year and up to the date of signing, as detailed in the previous AGS report.

8. The full revised Statement of Accounts is attached at **Appendix A** to this report for completeness. The Director of Finance and Commercial Services will confirm on behalf of the authority that he is satisfied that the statement of accounts at Appendix A presents a true and fair view of the financial position of the authority at the end of the financial year to which it relates, and the authority's income and expenditure for that financial year. We request the revised Statement of Accounts is approved by the Audit and Standards Committee at this meeting, to allow the Chair to sign the accounts on its behalf, once EY have given notification of completion. This is on the basis that no emerging material or major issues arise that require any further amendments to the Accounts.

Approval and Publication of the 2022/23 Statement of Accounts

9. The approach and outcomes of the 2022/23 external audit are set out in detail in EY's Completion Report for Those Charged with Governance, which is a separate report, and Members are asked to note the contents. We understand that EY intend to issue a disclaimed audit opinion on the accounts, detailed in section 3 "Results and Findings" of EY's report.

10. The Section 151 officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices, and he will certify that they give a true and fair view (i.e. that the financial statements

present a true and fair view of the financial position of Sheffield City Council as at 31 March 2023 and its income and expenditure for the year).

11. For completeness and to satisfy their auditing standards, the auditors are requesting written management representation from those charged with governance. Appropriate enquiries have been made with responsible officers within the Authority to confirm the representations included. Therefore, the letter of management representations in **Appendix B** is to be signed by the Director of Finance and Commercial Services and the Chair of the Audit and Standards Committee at this meeting, on conclusion of the audit.
12. As part of their work to complete the audit, the auditors issue an opinion on the Statement of Accounts and a Certificate of Completion of the Audit. It is intended that a disclaimed audit opinion will be given on the Statement of Accounts and a certificate issued to close the audit.
13. When the audit opinion is signed and notification of completeness is received from EY, the 2022/23 Statement of Accounts will be published on the Council's website. Along with a Notice of Conclusion statement that will be published to inform that the audit has been completed and the accounts have been published.

Equality and Inclusion Implications

14. There are no equality and/or inclusion implications arising from this report.

Financial and Commercial Implications

15. There are no financial and/or commercial implications arising from this report.

Legal Implications

16. There are no legal implications arising from this report.

Climate and Environmental Implications

17. There are no climate and/or environmental implications arising from this report.

Recommendations

18. The Audit and Standards Committee to note the Sheffield City Council Completion Report for Those Charged with Governance as at 31st March 2023.

19. The Audit and Standards Committee is recommended to:

- a) Approve the Statement of Accounts for 2022/23 as set out in Appendix A, subject to the audit completion requiring no further changes.
- b) Notes in accordance with The Accounts and Audit Regulations 2015, the Chair of the Audit and Standards Committee and the Director of Finance and Commercial Services will sign the Statement of Accounts for 2022/23 on completion of the audit by Ernst & Young LLP (EY).
- c) Notes the Letter of Management Representations to be submitted to the External Auditor as set out in Appendix B and this will be signed by the Director of Finance and Commercial Services and the Chair of the Audit and Standards Committee.