

REPORT TITLE: Statement of Accounts 2022-23 – Audit Opinion

To:

Civic Affairs Committee 5th December 2024

Report by:

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Wards affected:

all

1. Recommendations

1.1 It is recommended that Civic Affairs Committee:

1. Receive the Audit Results Report presented by EY and the unaudited statement of accounts for 2022-23
2. Approve the Statement of Accounts for the year ended 31 March 2023 based on the current Reset and Recovery legislation.
3. That the Chair of the meeting be authorised to sign the Management representation letter as shown in Appendix A of the Report for Those Charged with Governance.

2. Purpose and reason for the report

2.1 Following publication of the draft 2022-23 accounts, our external auditors EY have completed their Value for Money opinion for the Civic Affairs Committee agreement. As set out in the Committee's terms of reference, the Civic Affairs Committee are responsible for reviewing the annual governance statement and approving the annual accounts.

As previously reported to Committee, there have been national issues with timely delivery of local government audits which has resulted in legislation to introduce backstop dates for each year's audit. Previously, if there were outstanding issues with

an Authority's accounts which were unresolved those accounts could remain outstanding for multiple years as the auditors were not in a position to issue an opinion in-line with their responsibilities. The implementation of a backstop date means that all accounts up-to and including the financial year 2022/23 must be finalised with an opinion by the 13th December 2024, and future dates being imposed for the years from 2023/24 onward. Where the auditors are unable to complete their audit work by the relevant backstop date for the year, then the audit is concluded with a disclaimer opinion in which the auditors state that they have been unable to complete sufficient work to come to a conclusion on the statement of accounts. The intention behind this is to allow the system to catch up and focus efforts on timely conclusion of more recent audits.

- 2.2 The attached EY audit report (Appendix 1) considers the impact of Government proposals to clear the backlog in local audit and put the local audit system on a sustainable footing.

The Civic Affairs Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit.

The report considers and reports on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the Civic Affairs Committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements and considers the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where it may be necessary to do so.

3. Alternative options considered

- 3.1 None

4. Corporate plan

- 4.1 Completing annual statement of accounts and the associated audit are required by law and enables the Cambridge City Council's stakeholders, to hold us to account and for us to deliver on our commitment to being a transparent and accountable organisation.

5. Consultation, engagement and communication

- 5.1 None

6. Anticipated outcomes, benefits or impact

- 6.1 None

7. Implications

7.1 Relevant risks

The Committee should note that the disclaimed opinion being issued does not indicate any identified shortcomings or inaccuracies in the Authority's accounts, nor any undue delay to the draft accounts being available for audit.

Financial Implications

- 7.2 All financial information is included within the appendices of the report and relate back to activity undertaken in the financial year 2022/23.

Legal Implications

- 7.3 None

Equalities and socio-economic Implications

7.4 None

Net Zero Carbon, Climate Change and Environmental implications

7.5 None

Procurement Implications

7.6 None

Community Safety Implications

7.7 None

8. Appendices

8.1 Appendix 1 Completion Report for those Charged with Governance
Appendix 2 2022/23 Unaudited Statement of Accounts

To inspect the background papers or if you have a query on the report please contact
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