

CABINET	DATE 24 July 2024	ITEM NO 5
TITLE Draft Statement of Accounts 2023/24	WARD (S) All	
CHIEF OFFICER Director of Finance	CABINET MEMBER Finance, Resources and Social Value	
DECISION CLASSIFICATION Non-exempt Non-Key	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING? Yes	

I Decisions Required

This report makes the following recommendations to the decision-maker:

- 1.1 To consider and comment upon the authority's draft Statement of Accounts for the year ended 31 March 2024 (including the Pension Fund Accounts) submitted to Forvis Mazars for audit on 12 July 2024 (Appendix A).

2 Links to Our Greenwich missions

- 2.1 This report relates to the Council's agreed missions as follows:

- Our Council works in the most efficient and effective ways possible.

Effective financial management ensures resources are used efficiently, effectively and economically and helps to facilitate the running of Council services.

- 2.1 This report relates to the Greenwich Statement of Accounts to the delivery of the high-level objectives contained within the Royal Greenwich Strategy.

3 Purpose of Report and Executive Summary

- 3.1 This report details the draft accounts presented to the external auditor.

- 3.2 The draft statement of accounts have been prepared under International Financial Reporting Standards (IFRS) in accordance with the Code of Practice on Local Authority Accounting in the UK (The Code) and is comprised of a narrative statement, core statements (comprehensive income and expenditure statement, movement in reserves statement, balance sheet, cash

flow statement) and notes to the accounts, housing revenue account and pension fund account.

4 Introduction and Background

- 4.1 The basic requirement for the authority to prepare accounts is set out in section 3 (3) of the Local Audit and Accountability Act 2014. Section 32 allows regulations to be made regarding their format.
- 4.2 The Accounts and Audit Regulations 2015 is predominantly split into three components, namely internal control, inspection and the published accounts and audit, each of which are covered within this report.

5 The Authority's Statement of Accounts

- 5.1 The 2023/24 Statement of Accounts (Appendix A) has been compiled and sent to the appointed auditor on 12 July 2024.

Published Accounts and Audit

- 5.2 Regulations require that the authority produces a Narrative Statement (also known as a Narrative Report) which is intended to cover matters such as economy, efficiency and effective use of resources. It is an explanatory foreword for the accounts and provides a high level picture of the authority's financial performance and position. The idea behind this is to give users of the accounts the opportunity to read the Narrative Report and then focus on any specific items within the accounts, without having to read the entire document.

Inspection

- 5.3 Regulations require that the authority publishes its draft statements and undertakes a period of 30 working days for the exercise of public rights. The inspection period for the 2023/24 accounts is from 15 July 2024 and 23 August 2024.

Internal Control

- 5.4 Regulations require that the authority maintains and reviews its systems of internal control and publishes an Annual Governance Statement (AGS). The AGS is informed by the work of the internal auditors, executive managers within the authority whom have responsibility for the development of the

internal control environment and also by the comments made by external auditors and other review agencies and inspectorates.

6 Accounting and Auditing Requirements

- 6.1 Although regulations do not require such, best practice is being adopted whereby the draft accounts, as submitted for audit and published, are made available for consideration by Members.
- 6.2 The Royal Borough produces the statement of accounts in accordance with IFRS (International Financial Reporting Standards) and there are no changes of a material nature required in this year's accounts. The accounts have been prepared in accordance with the updated CIPFA Code of Practice on Local Authority Accounting.
- 6.3 The International Standard on Auditing (ISA) 260 requires the appointed auditor to communicate matters of governance interest arising from the audit of financial statements to those charged with governance. Those charged with governance are defined in ISA 260 as "those persons entrusted with the supervision, control and direction of an entity" (i.e. the full Council and any other committee with delegated responsibility for approval of the financial statements, where established and constituted appropriately). This responsibility falls to the Audit and Risk Management Panel. The types of matters that could be reported by the auditor include:
- expected modifications to the audit report
 - unadjusted non-trivial misstatements
 - material weaknesses in accounting and internal control systems
 - qualitative aspects of accounting practice and financial reporting
 - matters required by other auditing standards to be reported to those charged with governance
 - other matters that the auditor may wish to draw to the attention of the panel.
- 6.4 The Authority has previously opted in to the Public Sector Audit Appointments (PSAA) scheme which is responsible for assigning external audit firms to member organisations. The length of the appointing period covered by the opt-in invitation is for the audit of the accounts for the five consecutive financial years from 1 April 2023. Out of a total of 475 bodies eligible to join the scheme at the time of the opt-in period in 2021, 470 (99%) took the decision to opt in.

6.5 The Royal Borough of Greenwich has been assigned Forvis Mazars to replace Grant Thornton as the new audit company for 2023/24 financial year.

7 Available Options

7.1 The process for producing local authority accounts is prescribed by regulations and as such, there are no alternative options available.

8 Preferred Option

8.1 There is only one option available as stated above.

9 Reasons for Recommendations

9.1 Need to comply with statutory requirements.

10 Consultation

10.1 The inspection period, which allows public inspection of the draft accounts is between 15 July 2024 and 23 August 2024.

11 Next Steps

11.1 The timetable for the consideration and approval of the 2023/24 accounts is summarised in the table below:

Draft Accounts	Date	Action to be Taken
Director of Finance	11 July	sign accounts
Pension Fund Investment and Administration Panel	22 July	consider / comment on the pension fund accounts
ARM	22 July	consider / comment on the whole accounts
Cabinet	24 July	consider / comment on the whole accounts

Accounts Approval	Date	Action to be Taken
Pension Fund Investment and Administration Panel	tbc	receive and comment on the pension fund Audit Findings Report and any recommended changes

ARM Panel	tbc	receive and comment on the Audit Findings Reports and any recommended changes
Council	tbc	receive the Audit Findings Report and approve the accounts following any recommended changes

11.2 The inspection period, which allows public inspection of the draft accounts is between 15 July 2024 and 23 August 2024.

11.3 The auditor can issue their audit opinion only after the submission of the Audit Findings Report to Council. The Audit and Risk Management Panel will in due course receive the Audit Findings Reports, which will then be forwarded to Council. This process, therefore, directly impacts upon the date by which the authority can state that it has completed the accounts closure process for the year.

11.4 An unqualified audit opinion is anticipated following Council’s approval of the audited accounts.

12 **Cross Cutting Issues and Implications**

Issue	Implications	Sign-off
Legal	The legal requirements relating to the preparation of the Council’s accounts are set out in Section 3 of the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015.	Azuka Onuorah Interim Director of Legal Services 12 th July 2024
Finance	This report has been prepared by the Director of Finance and has no other financial implications.	Hitesh Jolapara Interim Assistant Director of Finance & Deputy s151 Officer 11 July 2024
Equalities	Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct	Hitesh Jolapara Interim Assistant Director of Finance & Deputy s151 Officer 11 July 2024

	<p>prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.</p> <p>The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users. In addition, given the nature of the report the decision required this report makes no direct contribution to the Council's Equality and Equity Charter and the Council's Equality Objectives 2020-2024.</p>	
Climate Change	<p>This report does not make any direct contribution to the Greenwich Carbon Neutral Plan agreed by Cabinet 18 November 2020</p>	<p>Hitesh Jolapara Assistant Director of Finance & Deputy s151 Officer 11 July 2024</p>
Risk Management	<p>The Royal Borough, as a local authority, is responsible for ensuring that it conducts its business in accordance with the Law and that public funds are properly accounted for, used economically, efficiently and effectively.</p>	<p>Hitesh Jolapara Assistant Director of Finance & Deputy s151 Officer 11 July 2024</p>

13 **Report Appendices**

- Appendix A – Draft 2023/24 Statement of Accounts.

Background Papers

None

Report Author: Hitesh Jolapara – Interim Assistant Director of Finance & Deputy s151 Officer

Tel No. 020 8921 4292

Email. hitesh.jolapara@royalgreenwich.gov.uk

ITEM NO: 5

PAGE NO: 6

Reporting to: Damon Cook - Director of Finance
Tel No. 020 8921 3508
Email. Damon.Cook@royalgreenwich.gov.uk

Chief Officer: Damon Cook - Director of Finance
Tel No. 020 8921 3508
Email. Damon.Cook@royalgreenwich.gov.uk