

Report for: Audit Committee 20th September 2023

Item number: 10

Title: Draft Statement of Accounts 2022/23

Report authorised by: Jon Warlow, Director of Finance (S151 Officer)

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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key decision

1. Describe the issue under consideration

1.1. This report updates the Committee on the Council's Draft Statement of Accounts 2022/23.

2. Cabinet Member Introduction

2.1. Not applicable.

3. Recommendations

3.1. That the Committee notes the contents of this report, and the appended Draft Statement of Accounts.

4. Reason for Decision

4.1. None.

5. Other options considered.

5.1. None.

6. Background information

6.1. The preparation and audit of the annual statement of accounts is a statutory requirement of the Accounts and Audit Regulations 2015. Usual timescales are:

- Usual practice is that the draft accounts must be prepared and certified by 31 May by the Section 151 Officer that they represent a true and fair view of the financial position of the Council.
 - Normally, audits should then be concluded by 31 July and audited accounts published by this date, or, if audits have not concluded audited accounts should be published as soon as possible after this date.
- 6.2. The 2022 amendment to the Accounts and Audit Regulations 2015, changed the deadline for publishing audited accounts for the financial year 2022/23 from 31 July to 30 September 2023.
- 6.3. The Council did not meet the draft account publication date of 31st May due to knock on effect of delays in the 2020/21 statement of accounts audit. The notification of delay and reasons for the delay were published as required under the regulation.
- 6.4. The Council's 2022/23 Draft Statement of Accounts were subsequently certified and published on the 31st of July 2023 in accordance with the regulations.
- 6.5. The content of the Statement of Accounts is largely determined by statutory requirements and mandatory professional standards as set out within the "Code of Practice on Financial Reporting" published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The CIPFA Code of Practice is based on International Financial Reporting Standards (IFRS), and in some cases its application is tailored to Local Government Finance.
- 6.6. The 2022/23 draft statement of accounts highlights the Council performances and achievements during the year. General fund balances (including schools) were £97.2m at 31 March 2023 (£119.1m as at 31 March 2022). The Housing Revenue Account (HRA) balance was increased to circa £21.6m from £20.8m in 2021/22.
- 6.7. It should be noted that the Council currently has three years of unaudited accounts (2020/21 – 2022/23) and therefore there is likelihood that the above closing figures may change when each year's accounts is finally signed off by the Council's external auditor.
- 6.8. The decrease in the GF balances is mainly attributed to the drawdown of the Collection fund smoothing reserve to offset the expected drop in income from the Council's collection funds during the year and reduction in schools reserves due to schools in-year deficits.
- 6.9. The Council's balance sheet increased by £722m in 2022/23. This is largely driven by capital expenditure investment and property plant and equipment valuation increases. In addition is favourable movement in

the actuarial assumptions used in the valuation of the council's pension liabilities.

- 6.10. There was no material transaction in the year that required separate disclosure in the accounts/group accounts.
- 6.11. The financial performance highlights are contained in the narratives to the statement of accounts, pages 9-10.
- 6.12. The Public Inspection period commenced from Tuesday 1 August 2023 to Tuesday 12 September 2023 between 10am and 4pm. During this period, any person(s) may request explanations/raise objections /inspect the accounts of the London Borough of Haringey for the year ended 31 March 2023.

Next Steps

- 6.13. The 2020/21 audit is yet to complete and the 2021/22 audit is still outstanding. This leaves us with 3 years of unaudited set of accounts. This is a national issue which the Government is exploring ways of resolving. Further updates will be brought to the committee once a decision is made.
- 6.14. In the meantime, BDO LLP has been asked to produce an audit plan for the 2021/22 statement of accounts. This is yet to be received. On completion of each audit, a report will be brought to audit committee on their findings and opinion on the accounts.

7. Contribution to Strategic Outcomes

- 7.1. None.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1. As this report details a financial subject matter, finance comments are made throughout the content of this report.

Legal

- 8.2. The Statement of Accounts has been produced in accordance with the Accounts and Audit (England) Regulations 2015 (as amended). It is noted that the accounts are yet to be audited. Accordingly, at this stage, there are no legal implications arising from this report.

Equalities

8.3. There are no equalities issues arising from this report.

9. Use of Appendices

Appendix 1 – Draft Statement of Accounts 2022/23

10. Local Government (Access to Information) Act 1985

10.1. Not applicable