

Report for: Audit Committee 18th July 2024

Item number: 9

Title: Draft Statement of Accounts 2023/24

Report authorised by: Taryn Eves, 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 2023/24.

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. Statutory timescales are:

- The draft statement of accounts should 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.
 - Audit of the accounts should then be concluded by 31st 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 next 6 years (from financial year 2022/23) from 31 July to 30 September.
- 6.3. The Council did not meet the draft account publication date of 31st May due to delays in valuations of assets. The notification of delay was published as required under the regulation.
- 6.4. The Council's 2023/24 Draft Statement of Accounts were subsequently certified and published on the 28th June 2024 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 2023/24 draft statement of accounts highlights the Council performances and achievements during the year. General fund balances (including schools) were £67.4m as at the 31 March 2024 (£97.2m on 31 March 2023). The Housing Revenue Account (HRA) balance was increased to circa £22.3m from £21.6m in 2022/23.
- 6.7. The decrease in General Fund balance is mainly attributed to the drawdown from earmarked reserves of £19.24m to cover the General Fund overspend for the 2023/24 financial year; £5.08m for transformation projects/service reorganisation and a worsening of the school deficit position by £5.44m.
- 6.8. The Council's balance sheet increased by £158m in 2023/24. This is largely driven by capital expenditure investment and property plant and equipment valuation increases. In addition, there has been a favourable movement in the actuarial assumptions used in the valuation of the Haringey Pension Fund.

- 6.9. There was no material transaction in the year that required separate disclosure in the Council accounts, Group accounts or Pension Fund accounts.
- 6.10. The narratives to the statement of accounts contains the financial performance highlights (pages 9-14) and the financial outlook of Haringey (pages 14-16).
- 6.11. It should be noted that the draft accounts are unaudited. Following the external audit process over the summer, there is a possibility that the draft figures may change. Full details of any amendments will be set out in the final accounts published later in the year.
- 6.12. The Public Inspection period commenced from 10am, Monday 1st July 2024. It will end at 4pm on Friday 9th August 2024. 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 2024.

Next Steps

- 6.13. Our external auditors, KPMG, will commence the audit of 2023/24 statement of accounts in July 2024. On completion, the final accounts, the Audit findings and the Auditors Annual Report will be presented to the Audit Committee.

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.

Assistant Director of Legal and Governance

- 8.2. The Statement of Accounts has been produced in accordance with the Accounts and Audit (England) Regulations 2015 (“the 2015 Regulations”), which (among other things) governs the production, publication and exercise of public rights in relation to the statement of accounts. It is noted that the accounts are yet to be audited. The procedure governing publication and exercise of public rights in relation

to the statement of accounts is contained in Parts 3 and 5 of the 2015 Regulations.

8.3. Regulation 9 of the 2015 Regulations provides that

9.—(1) The responsible financial officer for a Category 1 authority must, on behalf of that authority, in the following order—

(a) sign and date the statement of accounts, and confirm that they are satisfied that it presents a true and fair view of—

(i) the financial position of the authority at the end of the financial year to which it relates; and

(ii) that authority's income and expenditure for that financial year;

(b) commence the period for the exercise of public rights in accordance with regulations 14 and 15; and

(c) notify the local auditor of the date on which that period was so commenced.

(2) Subject to paragraph (3), a Category 1 authority must, following the conclusion of the period for the exercise of public rights in regulation 14, in the following order—

(a) consider, either by way of a committee or by the members meeting as a whole, the statement of accounts;

(b) approve the statement of accounts by a resolution of that committee or meeting;

(c) ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval is given.

(3) The responsible financial officer for a Category 1 authority must re-confirm on behalf of that authority that they are satisfied that the statement of accounts presents a true and fair view of—

(a) the financial position of the authority at the end of the financial year to which it relates; and

(b) that authority's income and expenditure for that financial year, before that authority approves it.

8.4. Regulation 14 provides that –

14.—(1) Any rights of objection, inspection and questioning of the local auditor conferred by sections 26 and 27 of the Act may only be exercised within a single period of 30 working days.

(2) The period referred to in paragraph (1) starts with the day on which the period for the exercise of public rights is treated as having been commenced in accordance with regulation 15(3).

(3) During the period for the exercise of public rights a relevant authority must make the documents referred to in section 26(1) of the Act available for inspection on reasonable notice at all reasonable times.

- 8.5. Because the period for the exercise of public rights did not commence within the first 10 working days of June, the authority must comply with Regulation 15(1A), which provides that –

(1A) Where the period for the exercise of public rights has not been commenced in accordance with paragraph (1) a relevant authority must—

(a) publish (which must include publication on the authority's website) as soon as reasonably practicable a notice stating that it has not been able to commence the period for the exercise of public rights and its reasons for this; and

(b) comply with paragraph (1) as if for “on such a day” to the end there were substituted “as soon as reasonably practicable.”

- 8.6. A summary of pertinent provisions within the statutory framework is included in the body of the report. At this stage, there are no further 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 2023/24

10. Background Papers

- 10.1. Not applicable