
Report from Service: Finance

Report Author: David Mason, Head of Finance

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Wards affected: All

PART 1

1.1 Executive Summary:

1.1.1 The purpose of this report is to provide the Audit Committee with an update in respect of the closure of the 2023/24 accounts.

1.2 Recommendation(s):

1.2.1 It is recommended that the:

- (a) Audit Committee note the work outlined in respect of the closure of the 2023/24 accounts.

1.3 Council plan and policy framework:

1.3.1 The Annual Statement of Accounts covers all the service responsibilities as identified within the Council Plan.

1.4 Information:

1.4.1 Under current statutory deadlines, the Chief Finance Officer is required, no later than 30 September 2024, to sign and certify that the Statement of Accounts presents a true and fair view of the Authority's financial position for the year ended 31 March 2024. For 2023/24 a set of draft accounts has to be produced by the end of May which is then subject to external audit. The audited set of accounts is required, no later than 30 September 2024, to be approved and subsequently published.

1.4.2 However, Committee will be aware that there have been significant delays nationally relating to the external audit process which has impacted on the ability of the sector to achieve these deadlines. From a North Tyneside

perspective, we are waiting for an audit opinion on our 2022/23 Accounts so have been unable to achieve the required deadline.

- 1.4.3 In response to the national sector-wide delays the Government have consulted in a range of potential changes which include revising the backstop dates for financial years up to and including 2027/28 to provide additional time for the sector to then return to timely audit processes.
- 1.4.4 We are currently waiting for the outcome from the consultation, but the proposal would require the 2023/24 audit process to be concluded by 31 May 2025 rather than the normal deadline date of 30 September 2024.

Update on the preparation of the 2023/24 Annual Statement of Accounts

- 1.4.5 Whilst the audit timescales remain outside of the control of the Authority and the opening balances for the year have not yet been audited, the Authority is continuing to prepare to ensure we can meet the publication deadline for the draft 2023/24 Financial Statements.
- 1.4.6 As per previous years, communication has gone to all members of the Senior Leadership Team detailing the process for the closure of the 2023/24 accounts. This took the form of a briefing note which outlined the main tasks and actions required to be taken by services and reiterated the responsibilities of senior management in ensuring that all staff are fully aware of the deadlines associated with the closure of the 2023/24 accounts.
- 1.4.7 Detailed guidance notes have been published on the Authority's Intranet site outlining the key dates for the closure of the accounts. In addition, an article will be published in Teamwork from the Director of Resources reminding staff of the importance of meeting the final accounts deadlines.
- 1.4.8 Group accounts will continue to be required for 2023/24 as the anticipated balance sheet value of the North Tyneside Trading Company (NTTC) will be material on the Authority's statutory accounts. This arises as the Authority is the main equity holder in the Company.
- 1.4.9 Guidance has been issued to schools on the areas that they need to focus on to ensure that they closedown on time. Training sessions with schools will also be held covering year-end requirements.
- 1.4.10 Regular meetings continue to be held with finance staff and valuation to address any issues that may arise.
- 1.4.11 Work is progressing towards meeting the deadlines that are required in order for the Authority to be able to publish the draft Statement of Accounts by 31 May 2024. Currently we are not foreseeing any issues that will prevent the Authority achieving this date, however there is always the risk of unforeseen events that may impact on our ability to do so.

1.5 Decision options:

- 1.5.1 The Audit Committee can agree to endorse the recommendations as set out in Section 1.2 of this report. Alternatively, the Audit Committee can decline to endorse the proposals and require further details and amendment.

1.6 Reasons for recommended option:

- 1.6.1 The Audit Committee is recommended to endorse the proposals set out in section 1.2 of this report as the production Audited Annual Statement of Accounts is a requirement of the Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021.

1.7 Appendices:

None.

1.8 Contact officers:

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David Mason, Head of Finance, Tel 643 3293

Susan Borthwick – Principal Accountant – Tel 643 5732

1.9 Background information:

- 1.9.1 The following background papers and reports have been used in the compilation of this report and are available for inspection at the offices of the author:

(a) Accounts and Audit Regulations 2015 as amended by the Accounts and Audit (Amendment) Regulations 2021.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

- 2.1.1 There are no financial implications as a result of the recommendations within this report.

2.2 Legal

2.2.1 The Authority has a duty to ensure that it produces a draft Annual Statement of Accounts by the end of May 2024 in accordance with the Accounts and Audit (Amendment) Regulations 2021.

2.3 Consultation/community engagement

2.3.1 Consultation will take place with the key personnel and interested parties involved in the closedown process.

2.4 Human rights

2.4.1 There are no Human Rights implications as a result of the recommendations in this report.

2.5 Equalities and diversity

2.5.1 There are no Equalities and Diversity implications as a result of the recommendations in this report.

2.6 Risk management

2.6.1 A risk log has been set up which identifies the key risks and issues associated with the closedown process. The management of these risks are part of the overall process.

2.7 Crime and disorder

2.7.1 There are no crime and disorder implications as a result of the recommendations in this report.

2.8 Environment and sustainability

2.8.1 There are no environment and sustainability implications as a result of the recommendations in this report.