



## London Borough of Enfield

<b>Report Title</b>	2023-24 Statement of Accounts
<b>Report to</b>	General Purposes Committee
<b>Date of Meeting</b>	26 <sup>th</sup> June 2024
<b>Cabinet Member</b>	Cllr Tim Leaver, Cabinet Member for Finance
<b>Executive Director / Director</b>	Annette Trigg (Director of Finance – Corporate)
<b>Report Author</b>	Fay Hammond (Executive Director – Resources) <a href="mailto:fay.hammond@enfield.gov.uk">fay.hammond@enfield.gov.uk</a>
<b>Ward(s) affected</b>	
<b>Key Decision Number</b>	Non-Key
<b>Classification</b>	Part I Public
<b>Reason for exemption</b>	n/a

### Purpose of Report

1. This report notes the publication of the draft 2023/24 Statement of Accounts and the national status of unaudited accounts.

### Recommendations

<ol style="list-style-type: none"><li>I. To note the draft 2023/24 Statement of Accounts and the publication of the accounts by the deadline of 31 May 2024.</li><li>II. To note the current national status of the unaudited accounts.</li><li>III. To note that at the July GPC in accordance with good practice, members will be asked to review the draft 2023/24 accounts.</li></ol>
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### Background and Options

2. The Council published the 2023/24 Statement of Accounts on 31<sup>st</sup> May 2024 in accordance with the deadline. As at Monday 3<sup>rd</sup> June the national percentage of published accounts for 2023/24 was 41% (25% for outer London and 50%

for inner London). This deadline has been met whilst continuing to deal with the ongoing BDO audit for 2019/20 and the initiation of work for the 2023/24 audit planning with Grant Thornton. The achievement of the deadline was a result of planning early, improvements in processes and establishing a more stable team within the finance department.

3. The draft statement of accounts (which includes the Pension Fund Accounts and the Annual Governance Statement) can be accessed via this link from the Council's website.

<https://www.enfield.gov.uk/services/your-council/statement-of-accounts>

4. It should also be noted that, with 2019/20, 2020/21, 2021/22 and 2022/23 accounts remaining open, the opening balances for the 2023/24 financial year have not been formally signed off and remain subject to review.
5. It is good practice to brief Committee on the draft accounts at the time of submission to the external Audit. The Committee will be required to approve the Statement of Accounts later in the year when the audit is concluded, and the opinion issued. It is proposed that a formal report and review of the draft 2023/24 Statement of Accounts is undertaken at the July GPC meeting.
6. In order to address the national crisis of delayed external public sector audits, the Department for Levelling up (DLUCH) consulted on a proposal to clear the backlog. For all larger authorities, such as Enfield, it was proposed to clear the historical audit opinions up to and including financial year 2022/23 by 30 September 2024. However, this legislation has been delayed by the snap election and therefore, further information is awaited. If confirmed, these proposals would require external auditors (BDO) to complete their audits even if they have been unable to obtain sufficient appropriate audit evidence in time. This would result in an auditor having to issue a modified opinion, either through qualification or through issuing a disclaimer of opinion. The "backstop" legislation, if agreed, would apply to the draft, unaudited Statement of Accounts for Enfield for 2020/21, 2021/22 and 2022/23.
7. The DLUCH proposal also included a "recovery" phase with extended timelines for the external audits for 2023/24 to 2027/28. However, Grant Thornton have initiated audit planning for 2023/24 as set out in the audit plan. Therefore, although the historical audits remain outstanding, it is proposed that the GPC review the 2023/24 draft Statement of Accounts at the July GPC.

### **Preferred Option and Reasons For Preferred Option**

8. This is a statutory requirement.

### **Relevance to Council Plans and Strategies**

9. The Council's Plan is delivered through resilient finances. The external audit is a process of testing and challenge, undertaken by an independent and external body against the local government statutory accounting framework, to ensure the annual accounts present a true and fair view of the Council's financial position.

## **Financial Implications**

10. There are no direct financial implications beyond that an unqualified set of Accounts demonstrates that the Council is a 'going concern' and that any audit changes may materially affect the underlying net worth of the entity.

## **Legal Implications**

11. The responsibilities for the framework within which local authority audits are conducted is the Local Audit and Accountability Act 2014. The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the 2014 Act. Schedule 6 of the Act requires that the Code be reviewed, and revisions considered at least every five years. A Code of Audit Practice came into force on 1 April 2020, after being approved by Parliament. The new Code applies to audits of local bodies' 2020-21 financial statements onwards: The detailed statutory Auditor Guidance Notes (AGNs) that will support the new Code are being drafted.
12. It is a requirement of the Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015 for the Statement of Accounts to be produced in accordance with proper accounting practices.
13. The Accounts are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, which specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of the Council.
14. The Code sets out the proper accounting practices required by section 21(2) of the Local Government Act 2003. These proper practices apply to:
  - Statements of Accounts prepared in accordance with the statutory framework by the Accounts and Audit (England) Regulations 201
  - The audit of those accounts undertaken in accordance with the statutory framework established by section 5 of the Local Audit and Accountability Act 2014.

## **Equalities Implications**

15. There is no Equality impact arising from this report.

## **Environmental and Climate Change Implications**

16. There are no Environmental and Climate Change implications arising from this report.

**Report Author:** [Fay Hammond]  
[Executive Director of Resources]  
[fay.hammond@enfield.gov.uk]  
[020 8379 2662]

## **Background Papers**