



REPORT TO:	Governance and Audit Committee
DATE:	Thursday, 18 July 2024
SUBJECT:	Unaudited Financial Statements 2023/24 including Narrative Report and Annual Governance
PURPOSE:	To present the unaudited Financial Statements including Narrative Report and Draft Annual Governance Statement for the Committee's review, in line with best practice
KEY DECISION:	<i>N</i>
PORTFOLIO HOLDER:	Portfolio Holder for Finance
REPORT OF:	Christine Marshall, Deputy Chief Executive - Corporate Development (S151)
REPORT AUTHOR:	Ellie Stacey, Deputy Chief Finance Officer (Corporate) – PSPS Ltd
WARD(S) AFFECTED:	<i>N/A</i>
EXEMPT REPORT?	<i>N</i>

SUMMARY

This report requests that the Governance and Audit Committee review and consider the unaudited Financial Statements 2023/24 including the Annual Governance Statement.

RECOMMENDATIONS

It is recommended that as part of its governance role, the Governance and Audit Committee consider the Unaudited Financial Statements 2023/24 including the Annual Governance Statement (Appendix A).

REASONS FOR RECOMMENDATIONS

To comply with best practice.

OTHER OPTIONS CONSIDERED

None.

1. BACKGROUND

1.1 The Accounts and Audit Regulations 2015 require that:

- The Responsible Finance Officer (Section 151 Officer) signs the unaudited Financial Statements no later than 31 May each year; and
- The Financial Statements be considered and approved by a committee of the Council no later than 31 July each year.

1.2 Unfortunately, due to a variety of resourcing and external factors it has not been possible to complete the accounts to this timeline. It is however a significant improvement on the 2022/23 accounts also on this agenda, with a clear aspiration to achieve statutory timelines for the 2024/25 statement of accounts, the direction of travel is very positive.

1.3 To continue the Council's good practice, this report presents the unaudited Financial Statements including Annual Governance Statement to the Committee to enable comments, facilitate challenge and to highlight any key areas.

2. REPORT

2.1 The Financial Statements production is complete and shown at Appendix A is the unaudited version of the 2023/24 Financial Statements (this includes the Comprehensive Income and Expenditure Statements, Movement in Reserves Statement, and Balance Sheet as at 31 March 2024, along with the Annual Governance Statement).

2.2 The timescales involved with the approval and inspection of the Council's Financial Statements for 2023/24 are:

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|---|----------------|
| • S151 Officer signs Statements | 18 July 2024 |
| • Unaudited Financial Statements to Committee | 18 July 2024 |
| • Accounts available for Public inspection from | 19 July 2024 |
| • Audit by KPMG commences | September 2024 |
| • Financial Statements approved by Committee | TBC |
| • Auditor's opinion on Statements issued by | TBC |

2.3 The draft Annual Governance Statement is presented within the unaudited Financial Statements.

2.4 The net worth of the Council, as shown in the Balance Sheet, increased by £57.921m and this is also reflected in the Comprehensive Income and Expenditure Statement. The main reasons are set out in paragraph 2.6.

2.5 The major changes in the Balance Sheet at the year end, considered significant enough to warrant specific reference, are:

- An increase of £68.314m in Property, Plant and Equipment due to increases in asset valuations at year end.
- A reduction of £14.698m in Short Term Investments and Cash and Cash Equivalents due to increased spend on the capital programme, therefore reduced funds are available to invest.
- An increase in the net pensions liability of £2.519m due to changes in financial assumptions.
- An increase of £0.963m in Long Terms Investments due to loans issued to Welland Homes Ltd.

2.6 SHDC's 30% share of PSPS Ltd has been consolidated into the group accounts of the Financial Statements.

3. CONCLUSION

3.1 The Committee are asked to review and consider the unaudited Financial Statements 2023/24 including the Annual Governance Statement.

4. EXPECTED BENEFITS TO THE PARTNERSHIP

4.1 Strengthened governance arrangements.

5. IMPLICATIONS

5.1 SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

5.1.1 None.

5.2 CORPORATE PRIORITIES

5.2.1 None.

5.3 STAFFING

5.3.1 None.

5.4 CONSTITUTIONAL AND LEGAL IMPLICATIONS

5.4.1 The Accounts and Audit Regulations 2015 and the Accounts and Audit Amendments Regulation 2022 (SI 2015/234) define these arrangements.

5.5 DATA PROTECTION

5.5.1 None.

5.6 FINANCIAL

5.6.1 As contained in the unaudited Financial Statements at Appendix A.

5.7 RISK MANAGEMENT

5.7.1 None.

5.8 STAKEHOLDER / CONSULTATION / TIMESCALES

5.8.1 None.

5.9 REPUTATION

5.9.1 None.

5.10 CONTRACTS

5.10.1 None.

5.11 CRIME AND DISORDER

5.11.1 None.

5.12 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

5.12.1 None.

5.13 HEALTH AND WELL BEING

5.13.1 None.

5.14 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

5.14.1 None.

5.15 LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

None.

6. ACRONYMS

6.1 PSPS Ltd – Public Sector Partnership Services Ltd

CIPFA – Chartered Institute of Public Finance and Accountancy

APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A

Unaudited Financial Statements 2023/24

BACKGROUND PAPERS

Background papers used in the production of this report are listed below: -

Document title

Where the document can be viewed

CIPFA Accounting Code of Practice
2023/24 and supporting Guidance Notes

Available from the Financial Services department

CHRONOLOGICAL HISTORY OF THIS REPORT

<i>None.</i>

REPORT APPROVAL	
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