

# SALISBURY CITY COUNCIL

## Report

**Subject:** Satisfactory conclusion of the 2023/24 Annual Accounts Process  
**Committee:** Full Council  
**Date:** 4 November 2024  
**Author:** Steve Bishop, Responsible Finance Officer

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### 1. Report Summary

- 1.1. This report updates the Council on the conclusion of the 2023/24 annual accounts process.
- 1.2. In accordance with statutory regulations, the Council was designated a 'smaller authority'. As such it was required to complete an Annual Governance and Accountability Return (AGAR) 2023/24, which comprised the internal audit report, annual governance statement and accounting statements. These were approved by Full Council in June 2024 and submitted for external audit scrutiny.
- 1.3. At the same time, a notice of public rights inspection was issued to encourage members of the public and other stakeholders to take an interest, question or challenge any aspect.
- 1.4. This report provides the Council with the results of the external audit and public inspection.

### 2. Policy Considerations

- 2.1. The annual production of accounts represents the culmination of all financial activity over the previous year. The accounts provide the definitive record of the Council's financial performance and will be available long into the future, after budgets and other ephemeral records have been destroyed. Therefore there are substantial statutory checks and balances in place to ensure the accounts are accurate and complete, including compliance with all financial regulations and policies.
- 2.2. The Responsible Finance Officer (RFO) is the key figure in ensuring policy compliance throughout the financial year, accurately producing the accounting statements and supervising the entire AGAR process. The significant absence of a permanent RFO for much of 2023/24 seriously weakened financial policy and the accounts process, in addition to being a technical breach of the Local Government Act 1972.

### 3. Results of any Public Inspection

- 3.1. The Council advertised the statutory notice and made available the accounts and supporting documents for the requisite period of 30 working days. The Council received one enquiry and the RFO provided answers to all questions raised.

#### **4. External Audit Outcome**

- 4.1. Once again the Council's external auditor, PKF Littlejohn LLP, conducted its audit of the accounting statements. They requested significant amounts of additional supporting information and explanations to questions as part of their review, before they accepted the accounts. They issued an unqualified external audit report, which is attached to this report at **Appendix A**.
- 4.2. This satisfactory conclusion to the accounts process, after the most difficult and challenging year in the Council Finance team's history, is a considerable success and relief. Many teams and officers across the Council contribute throughout the annual accounts preparation process. The RFO would like to highlight the diligence and dedication shown by the two permanent Finance officers, who remained in post throughout last year, without an RFO and without management support for most of the time. They, and the Council, should not be put in such a precarious position in future.

#### **5. The Future**

- 5.1. 2023/24 was the final year in which Salisbury City Council was designated a 'smaller authority' and was required to follow the AGAR process. Since April this year the Council has been redesignated a 'principal authority' and must now comply with international financial reporting standards and the 'full code' regime, alongside Wiltshire Council and all other large public and private sector organisations.
- 5.2. The project for transitioning between accounting regimes is being managed by the RFO and being overseen by the Finance and Governance Committee.

#### **6 Recommendations:**

- 6.1 The Council notes the satisfactory conclusion of the 2023/24 annual accounts process.
- 6.2 The Council recognises the unacceptable risks arising from the absence of an RFO last year and ensures that these risks are more effectively managed in future.

#### **7 Background Papers:**

None.

#### **8 Implications:**

- 8.1 . **Financial:** As shown in this report
- 8.2 . **Legal:** As shown in this report
- 8.3 . **Personnel:** Nil in relation to this report
- 8.4 . **Environmental Impact:** Nil in relation to this report
- 8.5 . **Equalities Impact Statement:** Nil in relation to this report

## Section 3 – External Auditor’s Report and Certificate 2023/24

In respect of **Salisbury City Council – WI0197**

### 1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor’s limited assurance opinion 2023/24

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Other matters not affecting our opinion which we draw to the attention of the authority:

None.

### 3 External auditor certificate 2023/24

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2024.

External Auditor Name

**PKF LITTLEJOHN LLP**

External Auditor Signature

 SIGNATURE REQUIRED

Date

15/09/2024