

STATEMENTS OF ACCOUNTS
WDA/12/25

Recommendation

That Members:

1. Note the revised statements of accounts for 2022/23 and 2023/24 and approve their publication as required by the Accounts and Audit (England) Regulations 2015 and the Local Audit and Accountability Act.

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STATEMENTS OF ACCOUNTS

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Report of the Director of Finance

1. Purpose of the Report

- 1.1 The Authority is statutorily required to prepare a Statement of Accounts that complies with proper accounting practices. The Authority's amended Statements of Accounts for 2022-23 and 2023-24 are attached as Appendices.
- 1.2 Audit Committee Members are asked to note the accounts which are the subject of the audit reports in the subsequent report and approve their publication.

2. Background

- 2.1 The Statutory framework for the preparation and approval of the Authority's Statement of Accounts is set out in the Accounts and Audit (England) Regulations 2015 and the Local Audit and Accountability Act.
- 2.2 The framework means that the Accounts should be prepared in draft by the Director of Finance. Then, following the audit of the accounts, the accounts are adopted formally by the Authority; this can be by the Audit Committee.
- 2.3 The Authority has been working with the auditor on the statements of accounts for 2018-19 for some time. There have been a number of problems and as a consequence the audit for that year and subsequent years has not been completed.
- 2.4 The Government has issued a direction that statements of accounts where the audit remains outstanding shall receive a disclaimer of audit opinion which enables the audit process to move forward again.

3. The Statements of Accounts

- 3.1 The Authority's accounts were prepared under the provisions of the Code of Practice on Local Authority Accounting (the Code) which is prepared by the Chartered Institute of Public Finance and Accounting (CIPFA). This Code that applied for each set of statements.

3.2 Within each of the accounts the four key statements are:

- The Comprehensive Income and Expenditure Account (CIES);
- The Balance Sheet;
- The Movement in Reserves Statement (MIRS); and
- The Cash Flow.

3.3 Each of these statements is regarded by the Code as a principal statement and their order is not significant as each has the same precedence. They are supported by notes to the accounts and are underpinned by Accounting Policies that confirm how key transactions and balances have been brought into the accounts.

3.4 Unaudited statements of accounts for 2022-23 and 2023-24 were published on 7th February 2025 and 28th February 2025 respectively. Following a review undertaken by the Authority's Finance team in April 2025, a number of misstatements have come to light.

3.5 Committee members are asked to note that changes are required to the previously reported financial results, including the following:

	2022-23		2023-24	
	As Previously Reported £000	As Restated £000	As Previously Reported £000	As Restated £000
(Surplus) or Deficit on Provision of Services	(3,843)	(2,394)	3,158	(581)
Other Comprehensive (Income) / Expenditure	(5,393)	(4,982)	(3,749)	1,805
Total Comprehensive (Income) / Expenditure	(9,236)	(7,376)	(591)	1,224
Total Usable Reserves as at the start of the year	(8,045)	(20,714)	(8,743)	(26,225)
Total Usable Reserves as at the end of the year	(8,743)	(26,225)	(9,706)	(30,426)

3.6 Given the significant nature of the amendments it is proposed to republish the accounts and allow a further 30 day period to allow for any questions or objections in respect of the amended accounts to be issued to the Authority or the auditor. This is to ensure compliance with the Accounts and Audit Regulations.

3.7 Once this period has expired the statement of accounts and subject to any objections /representations received, it is proposed to present the revised

Statements of Accounts to the Auditors for the insertion of the final External Auditor's report (including disclaimer of opinion).

- 3.8 The amended core statements for both years are appended to this report.

4. Key issues

- 4.1 Committee members are reminded that the audit for 2018-19 was never completed and this has been reported to Members on a regular basis. As a result, the subsequent accounts up to 2021-22 were subject to a disclaimer of opinion as the auditor was unable to complete their work on the statements.
- 4.2 The statement of accounts for 2022-23 and 2023-24 will also be subject to a disclaimer of opinion. However, officers believe that they form a sound basis for the preparation of the 2025-26 accounts.

5. Risk implications

- 5.1 There is a risk that the Authority will fail to comply with the statutory requirements regarding the approval of the statement of accounts. Recognising the changes in the requirements and putting in place new arrangements mitigates the risk.
- 5.2 There is also a risk that the authority's financial position will be misstated and the levels of balances available will be uncertain. This risk is mitigated by the fact that the ledger is maintained by a third party Council and were the balances available to be different from those reported as available the third-party provider would advise the Authority immediately.

6. HR Implications

- 6.1 There are no HR implications.

7. Environmental Implications

- 7.1 There are no environmental implications.

8. Financial Implications

- 8.1 The Authority's balances on the General Fund available for supporting revenue costs may be different from those reported.

9. Legal Implications

- 9.1 The Authority will comply with its legal obligation regarding the statement of accounts by approval of the statement. This will allow the Auditor -

once the 30 day publication period has expired - to provide a disclaimer of audit opinion and certificate, for each of the audit years as required by Government.

10. Conclusion

- 10.1 Members are therefore requested to note the Authority's Statement of Accounts for each of the years in question and to approve their publication

The contact officer for this report is: Chris Kelsall
7th Floor, Number 1 Mann Island, Liverpool, L3 1BP

Email: chris.kelsall@merseysidewda.gov.uk

Tel: 0151 255 2542

Fax: 0151 227 1848

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972.

Appendices

Appendix 1: Core Statements of Accounts 2022-23

Appendix 2: Core Statements of Accounts 2023-24