
DRAFT STATEMENT OF ACCOUNTS 2022/23

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 8.2

Reason for this Report

The Governance and Audit Committee terms of reference set out the responsibility for reviewing the financial statements prepared by the authority and to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

CIPFA Audit Committee Guidance (2022) sets out the details of core knowledge and application of knowledge.

Core knowledge required	How the Governance and Audit Committee member is able to apply the knowledge
Awareness of the financial statements required and the principles followed to produced them	Reviewing the financial statements prior to publication, asking questions. Reviewing both external and internal audit recommendations relating to financial management and controls. Receiving the external audit report and opinion on the financial audit.
An understanding of good financial management practice as set out in the CIPFA (Financial Management (FM) Code) and the level of compliance with it	The audit committee should consider compliance with the Financial Management Code and the role of the Chief Financial Officer (CFO) and how this is met when reviewing the Annual Governance Statement (AGS).
Knowledge of how the organisation meets the requirements of the role of the CFO as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016)	The audit committee should consider compliance with the FM Code and the role of the CFO and how this is met when reviewing the AGS.
An overview of the principal financial risks the authority faces	Reviewing reports on risk

This report has been prepared to provide Governance and Audit Committee Members with an opportunity to review and provide comments on the draft 2022/23 Statement of Accounts of:

- Cardiff Council including Cardiff Harbour Authority and Trust Funds
- Cardiff and the Vale of Glamorgan Pension Fund

The accounts were signed by the Responsible Finance Officer on 16 June 2023 and are attached in Appendix 1 and Appendix 2 of this report).

Background

The Statement of Accounts are complex and must meet a number of requirements. They are prepared in accordance with a Code of Practice developed by the Chartered Institute of Public Finance and Accountancy (CIPFA), legislative and Companies Act requirements where relevant.

Preparation and publication of the Statement of Accounts:

- is a statutory requirement
- aims to provide a true and fair view of the Council's financial position
- provides accountability – electors, tax and rent payers, pensioners, those charged with governance, funders, employees etc.
- allows comparison / benchmarking across organisations
- allows comparison across financial years
- allows for consolidation for Whole of Government Accounts
- allows interested parties to review and raise questions to Council and its auditor

Issues

At its meeting on 21 March 2023, the Committee received an introductory report on the financial statements for this year, including proposed timescales, draft accounting policies and changes in the 2022/23 Code of Practice.

The draft accounts were provided to Audit Wales on 16 June in preparation for the audit of accounts. These will also be the subject of a public inspection period from 19 July to 15 August 2023. A date of 6 September 2023 has been set for the external auditor to be available to answer questions from any local government elector or their representative for the area to which the accounts relate. The timescale for completion of the audit, consideration by Council and publication of the final accounts is expected to be November.

Attached for information, in Appendix 3, is a document introducing the contents and governance process involved in preparing the Council's financial statements.

Committee have previously been provided with a document prepared by CIPFA – Understanding Local Authority Financial Statements (Appendix 4) which may be useful information to members of the Committee to support their role.

It is recognised that these are complex documents and to support members in undertaking their scrutiny role, Governance and Audit Committee members have been provided with the opportunity of an extended period of time to review and comment on the statements.

Reason for Recommendations

To provide Governance and Audit Committee with the Draft Statement of Accounts for Cardiff Council including Cardiff Harbour Authority and Trust Funds and the Cardiff and the Vale of Glamorgan Pension Fund.

Legal Implications

No direct legal implications as a result of this report.

Financial Implications

No Direct Financial Implications arise from this report

Recommendations

Governance & Audit Committee are requested to note:

- the 2022/23 draft Statement of Accounts and highlight any queries and comments.
- the audited Statements and the Audit of Accounts (ISA260) reports for 2022/23 will, prior to being presented to Council, be reviewed by this Committee.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES
11 JULY 2023

The following Appendices are attached:

Appendix 1 – Unaudited Draft Statement of Accounts 2022/23 – Cardiff Council including Cardiff Harbour Authority and Trust Funds

Appendix 2 – Unaudited Draft Statement of Accounts 2022/23 Cardiff and Vale of Glamorgan Pension Fund

Appendix 3 – Introduction to Financial Statements

Appendix 4 – Understanding Local Authority Financial Statements (CIPFA – 2016)