

Present:	Councillor Emily Wood (<i>in the Chair</i>)
Councillors:	David Clarkson, Thomas Dyer, Gary Hewson, Clare Smalley, Calum Watt and Pat Vaughan
Independent Member:	Jane Nellist
Apologies for Absence:	Councillor Chris Burke

27. Confirmation of Minutes - 25 September 2023

RESOLVED that the minutes of the meeting held on 25 September 2023 be confirmed and signed by the Chair.

28. Declarations of Interest

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Statement of Accounts 2022/23'. His granddaughter worked in the Finance Department of the City of Lincoln Council.

29. External Audit: Audit Completion Report

The Council's external auditors presented the Audit Completion Report which summarised the findings from the 2022/23 audit.

The external auditor's work on the financial statements was substantially complete and, subject to satisfactory conclusion of any outstanding work, they would propose issuing an unqualified audit opinion without modification. As part of the audit, the internal controls in place relevant to the preparation of the financial statements had been considered, and had resulted in no significant findings or recommendations being made.

In relation to misstatements in the accounts, there was no material misstatement, or misstatements above the trivial threshold of £54k identified.

A full copy of The Statement of Accounts was included on the agenda for this meeting at item 4.

It was reported that the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources were yet to be completed. At the time of preparing this report, no significant weaknesses in arrangements, that required a recommendation to be made had been identified. However, work continued to be undertaken on the Council's arrangements and a commentary of these would be provided in the External Auditors Annual Report.

As part of presenting this item, the external auditors took the Committee through each page of the report and highlighted any key issues, particularly with regard to:

- status of the audit
- the audit approach;
- significant findings;
- internal control recommendations;

- summary of misstatements;
- value for money conclusion.

Jane Nellist, Independent Member praised the Finance Team for their work on the Financial Statements.

RESOLVED that:

1. the Financial Statements be recommended to Executive and subsequent referral to Council for approval.
2. the draft letter of representation on behalf of the Council be approved, before the external auditors issue an opinion, conclusion and certificate, and that any further amendments to the letter, should any additional issues be raised by the external auditors be delegated to the Chief Finance Officer and Chair of the Audit Committee, which any changes reported back to the Audit Committee.

30. Statement of Accounts 2022/23 (To Follow)

Jaclyn Gibson, Chief Finance Officer:

- a) presented the Statement of Accounts for the financial year ended 31 March 2023.
- b) reported that the Statement of Accounts for 2022/23 provided a comprehensive picture of the Council's financial circumstances and were compiled to demonstrate probity and stewardship of public funds.
- c) reported that the Council was statutorily required to publish its Statement of Accounts for 2022/23 with an audit opinion and certificate by no later than 30 September 2023.
- d) noted that the Statement of Accounts for 2022/23 were still subject to final verification by external audit . The audit of accounts was being finalised by Mazars, who had commenced the audit in July. Should any material changes be necessary as a result of this final external audit work, these would be reported back to a meeting of this committee by the Chief Finance Officer.
- e) reported that the Council must make the Statement of Accounts available for public inspection for 10 working days. Following notification from the Council's external auditors, this ran from 1 June 2023 until 15 June 2023 and the external auditor was available to answer questions during this period. It was reported that no questions had been asked.
- f) advised that during the completion of the external audit no misstatements above the trivial threshold were identified.
- g) reported that the Council was required to provide a documented annual review of the effectiveness of its governance arrangements which sat alongside the Statement of Accounts, known as the Annual Governance Statement. The overall level of assurance provided in 2022/23 was substantial and was in line with the Council's Code of Corporate Governance.

- h) explained that substantial progress has been made on against the significant issue in relation to the IT Disaster Recovery plan, which was included in last year's Annual Governance Statement (AGS), to the extent that there was no longer a significant governance issue. There were no new significant governance issues that were identified for inclusion in 2022/23.
- i) presented the following aspects of the Statement of Accounts:
- the Comprehensive Income and Expenditure Statement;
 - the Balance Sheet;
 - general balances;
 - earmarked reserves;
 - liquidity;
 - debtors;
 - creditors;
 - non-current assets;
 - pensions;
 - officer remuneration;
 - borrowing;
 - investments.
- j) invited members' questions and comments.

Question: Referred to the Chief Executives Salary and asked why had there been a reduction in pay for 2022/23 compared to 2021/22?

Response: There had not been a reduction in pay. The difference was due to the Chief Executive receiving election expenses as the Returning Officer for the Council. There were more elections held in 2021/22 which accounted for the difference in pay. The salary reported also included pension contributions.

Question: Referred to the Yarborough ceiling refurbishment and asked if the payment was for the cost of the works or did it also include the compensation paid to Active Nation?

Response: This payment was for the cost of the works only and did not include compensation payments.

Question: How much compensation had been paid to Active Nation?

Response: The compensation payments ended when the pool reopened. The figure would be circulated following the meeting.

RESOLVED that:

1. the final Statement of Accounts 2022/23 be noted, noting that the external audit was substantially complete.
2. the final Statement of Accounts 2022/23 be recommended to Executive and subsequent referral to Council for approval.
3. any further changes to the Statement of Accounts, arising from the conclusion of the external audit be delegated to the Chief Finance Officer who would report any changes to the Chair of Audit Committee.