

WELWYN HATFIELD BOROUGH COUNCIL  
AUDIT COMMITTEE – 5 SEPTEMBER 2024  
REPORT OF THE EXECUTIVE DIRECTOR (FINANCE & TRANSFORMATION)

STATEMENT OF ACCOUNTS – AUDIT APPROACH

**1 Executive Summary**

- 1.1 In July 2024, the government issued a policy statement on the approach that will be taken to bring local audit back up to date, including backstop dates for audits to be completed by. [Significant measures to tackle worsening backlog in local audit - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/significant-measures-to-tackle-worsening-backlog-in-local-audit)
- 1.2 Where audits are not completed by these dates, auditors will be expected to issue disclaimed opinions on the accounts. The accounts which have been issued and not audited for the council are for the 2022/23 and 2023/24 financial years.
- 1.3 On 30<sup>th</sup> August the council was contacted by Ernst and Young LLP, who were the councils appointed auditors for period up to and including 2022/23, to outline their approach to meet the backstop dates.
- 1.4 This letter covers accounts up until 2022/23, and whilst the 2023/24 accounts are not covered by this letter, the 2023/24 accounts are to be audited by the councils new auditors, KPMG.
- 1.5 This report seeks delegations to be put in place to ensure that the accounts are audited and published by the backstop date.

**2 Recommendation**

- 2.1 The committee are asked to delegate the approval of the statement of accounts for 2022/23, and any required actions to complete the audit process, to the Executive Director (Finance and Transformation), in consultation with the Executive Member for Resources and the Chair of Audit Committee;

**3 Explanation**

- 3.1 In July 2024, the government issued a policy statement on the approach that will be taken to bring local audit back up to date. Where audits are not completed by these dates, auditors will be expected to issue disclaimed opinions on the accounts.
- 3.2 The accounts which have been issued and not audited for the council are for the 2022/23 and 2023/24 financial years. The proposed backstop date for the 2022/23 accounts is 13 December 2024.
- 3.3 On 30<sup>th</sup> August the council was contacted by Ernst and Young LLP, who were the councils appointed auditors for period up to and including 2022/23, to outline their approach to meet the backstop dates.
- 3.4 This letter covers accounts up until 2022/23, and sets out the requirements for the audit to be completed by this date.

3.5 This report seeks delegations to be put in place, as suggested by the auditors, in order to deliver the actions and approval of the accounts required to meet the backstop date. An update will be provided at the January 2025 meeting.

#### **4 Legal Implications**

4.1 The government intends to put in place secondary legislation and to issue guidance to ensure that the relevant measures are in place to enable local audits to be brought up to date, including making the backstop dates a legislative requirement. Should this fail to happen, they may be further changes to the proposed backstop dates.

#### **5 Financial Implications**

5.1 There are none directly arising from this report.

#### **6 Risk Management Implications**

6.1 There are none directly arising from this report.

#### **7 Security and Terrorism Implications**

7.1 There are none directly arising from this report.

#### **8 Procurement Implications**

8.1 There are none directly arising from this report.

#### **9 Climate Change Implications**

9.1 There are none directly arising from this report.

#### **10 Health and Wellbeing Implications**

10.1 There are none directly arising from this report.

#### **11 Communication and Engagement Implications**

11.1 There are none directly arising from this report.

#### **12 Link to Corporate Priorities**

12.1 The subject of this report supports the objecting of running an effective council.

#### **13 Equality and Diversity**

13.1 An Equality Impact Assessment (EIA) has not been carried out in connection with the proposals that are set out in this report as it does not relate to policy or service changes.

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Date: 3 September 2024

**Appendices A** – Letter from Ernst & Young LLP