

that they are signed and dated by the person presiding at the committee as chair at which that approval is given. The Unaudited accounts are presented to help. in the process.

Further to the updates reported to this committee at the last meeting we are still awaiting the final option for the 2020/21, 2021/22, and 2022/23 statement of Accounts from the previous External Auditor (Ernst & Young).

3.3 The main elements of the Financial Statements are noted below with a brief narrative explanation of their purpose

Section of Accounts	What it covers
Comprehensive Income and Expenditure Statement (CIES)	The CIES covers the sources of all income received and the cost of providing services in the year based on applicable accounting standards and CIPFA requirements.
Movement in Reserves Statement (MiRS)	The MiRS shows the movement in the year on the various reserves held by the Council.
Expenditure & Funding Analysis	This is a reconciliation between management's internal reporting and the CIES, which is based on the requirements of accounting standards as interpreted for the public sector.
Balance Sheet	The Balance sheet gives the value of the Council's assets and liabilities at the financial year-end.
Cash Flow Statement	The cash flow statement discloses movements in cash flows of the authority during the financial year.
Notes to the financial statements	These include a summary of significant accounting policies that guide our basis for the way items are accounted for in the financial statements.
Supplementary Statements: Housing Revenue Accounts, and Collection Fund	These are the Housing Revenue Account (HRA) and Collection Fund. The HRA covers the income from housing activities and Council's expenditure on Council housing. The Collection Fund gives level of business rates and council tax that the Council has to collect, not only for itself, but also for precepting authorities in Leicestershire.
Annual Governance Statement	The Council has approved and adopted a code of corporate governance. The Annual Governance Statement provides a summary of how the Council has reviewed compliance with this code.

3.4 There are no major format changes or Accounting Policies changes in the year, however member should note additional balances due to the Coronavirus and Energy Rebate Support held previously have to a large part either been paid or returned to Central Government. These items have been processed in line with statutory regulations and cannot be used to fund normal service expenditure.

- 3.5 Items that have been set aside in reserves and balance sheet movements.

Items Set Aside in Reserves

Description	Value £000	Reserve
Coronavirus Funding (Primary Business Support where payments cross financial years)	58	Unapplied Grants

Items set aside in the Balance Sheet

Grants (Council acting as an Agent)	Balance Sheet 31.3.24 (balance) £000	Amount Already Paid £000	Balance Sheet 31.3.23 (balance) £000
Covid – Small Business & Hospitality	380	21,460	380
Covid Additional Relief Fund	0	2,480	1,498
Covid - Omicron	0	822	0
Energy Rebate grants	0	6,355	46
Energy Bill Support Scheme	0	499	490
Total	380	31,616	2,414

Annual Governance Statement

- 3.6 The Council is responsible for ensuring that its business is conducted in accordance with legal requirements and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council has a duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 3.7 The governance framework ‘Delivering Good Governance in Local Government’ was produced during 2016 by CIPFA/SOLACE (Society of Local Authority Chief Executives and Senior Managers). The framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the principles contained within the framework.

- 3.8 The Annual Governance Statement (AGS) should therefore be focused on outcomes and value for money and relate to the authority's vision for the area. It is based on the core principles above which form the basis of the Local Code of Governance as previously approved by Members.

Review of the System of Internal Control

- 3.9 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. Its role is to provide independent assurance to the council that systems are in place and operating effectively. Their opinion is included within the Draft AGs and does not indicate any major concerns in the Council's internal Controls.

Process for the Completion of the Annual Governance Statement

- 3.10 Evidence is collected from several sources:
- The views of Internal Audit, reported to Audit Committee through regular progress reports, and the Annual Internal Audit Opinion.
 - The views of our external auditors regularly reported to Audit Committee through regular progress reports and the Annual Auditors' Report.
 - The activities and operations of Council Service Areas whose Officers provide written assurance statements using an Internal Control Checklist.
 - The views of Members as expressed in regular meetings throughout the year.
 - The Risk Management Process, particularly the Strategic Risk Register.
 - Performance information is reported to the Scrutiny Committees.

Based on this information an early draft Annual Governance Statement for 2023/24 is produced as part of the Financial Statements for Audit Committee for approval

The final Statement is signed by the Leader and Chief Executive and ultimately forms part of the Statement of Accounts. Also, the Annual Governance Statement can be updated up to the date of the signing of the Statement of Accounts.

4. Exemptions in accordance with the Access to Information procedure rules

- 4.1 This report can be taken in open session.

5. Financial implications [IB]

- 5.1 Contained within the body of the report.

6. Legal implications [JS]

- 6.1 None

7. Corporate Plan implications

7.1 Adoption of the proposal in this paper will contribute to the achievement of the following Corporate Aim of Empowering communities.

8. Consultation

8.1 None

9. Risk implications

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 There is no immediate risk to the Council, however, early consideration by the Council of its preferred approach will enable detailed planning to take place so as to achieve successful transition to the new arrangement in a timely and efficient manner.

10. Knowing your community – equality and rural implications

10.1 The Financial Statements and the audit process will allow local communities and groups to review the financial performance and stewardship of the Council.

11. Climate implications

11.1 The Financial statements can be used as a mechanism for the reporting of the council impact on climate change via sustainability reporting. The public sector as a whole currently lags well behind the private sector in such reporting. Action would be needed to introduce this non-financial element to the financial statements to report to members and local residents how the council was performing against its declared climate emergency targets.

12. Corporate implications

12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications

- Data protection implications
 - Voluntary sector
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Background papers: Unaudited Statement of Accounts

Contact officer: Ilyas Bham, Accountancy Manager ext. 5924

Executive member: Councillor K Lynch