

STROUD DISTRICT COUNCIL
AUDIT AND STANDARDS COMMITTEE
TUESDAY, 18 JULY 2023

Report Title	Unaudited Statement of Accounts 2022 - 2023			
Purpose of Report	This report provides an opportunity to publicly consider the Statement of Accounts 2022-2023 ahead of the official audit opinion from Deloitte.			
Decision(s)	The Committee is asked to: a) Approve the report b) Consider any recommendations regarding the accounts for the year ending 31 March 2023.			
Consultation and Feedback	None.			
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Options	None.			
Background Papers	None.			
Appendices	Appendix A – Unaudited Statement of Accounts 2022 – 2023			
Implications (further details at end of the report)	Financial	Legal	Equality	Environmental
	No	Yes	No	No

1. INTRODUCTION / BACKGROUND

- 1.1 The Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the Code) specifies the principles and practices of accounting required to give a ‘true and fair’ view of the financial position, financial performance and cash flows of a local authority.
- 1.2 The Code is part of the ‘proper practices’ requirements governing the preparation of an authority’s Statement of Accounts referred to in section 21 of the Local Government Act 2003.
- 1.3 It is important for compliance with the Code that two particular aspects are understood clearly.
- 1.4 First, all Statements of Accounts should reflect a common pattern of presentation, although this does not necessarily require them to be in an identical format. One of the main aims of the Code is to narrow the areas of difference and variety in accounting treatment and thereby to enhance the usefulness of published Statements of Accounts.
- 1.5 Secondly, interpretation and explanation of the accounts is considered to be extremely important. The Code requires that there should be a Narrative Report to accompany the Statement of Accounts. The Narrative Report should explain the more significant features of the accounts (see section 3.1 of the Code for further details of the requirements to produce a Narrative Report). It should be based on the information contained in the Statement of Accounts and local authorities should ensure that it does not contain material inaccuracies or misleading statements in relation to the Statement of Accounts.
- 1.6 The Statement of Accounts were signed by the Section 151 Officer on 31 May 2023 and were published on the same day on Council’s website. This is compliant with the statutory deadline of 31 May 2023. Notice was also given on the website and in local newspapers

that rights of the public and local government electors to have access to financial documents and to raise objections with the Auditor commenced 1 June and ran until 12 July.

2. COMMENTARY ON THE FINANCIAL STATEMENTS

- 2.1 Movement in Reserves Statement: This is split between usable and unusable reserves and shows the detail of movement in reserves, from the surplus / (deficit) on provision of services in the Comprehensive Income and Expenditure Statement (CIES), to the position on the Balance Sheet at 31 March 2023.
- 2.2 Comprehensive Income and Expenditure Statement (CIES): The CIES consolidates all the financial gains and losses experienced during the year. The CIES has two sections:
 - a. Surplus or Deficit on the Provision of Services – which shows the increase or decrease in the net worth of the Council as a result of incurring expenses and generating income.
 - b. Other Comprehensive Income and Expenditure – which shows any other changes to net worth, and examples include movements in the fair value of assets or actuarial gains or losses on pension assets and liabilities.....
- 2.3 Balance Sheet: The Balance Sheet summarises the Council’s financial position at 31 March 2023. The top half shows accrued assets and liabilities. The bottom half is comprised of reserves, split between usable and unusable reserves, which represent the net worth of the Council.
- 2.4 Cash Flow Statement: This shows the year on year change in cash and cash equivalents, which are cash on call, and investments with a maturity of three months or less.

3. IMPLICATIONS

3.1 Financial Implications

There are no financial implications from this report. The Statement of Accounts sets out full details of the Council’s financial activities in the 2022/23 year.

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3.2 Legal Implications

As set out in the report, section 21(1) of the Local Government Act 2003 provides that the Secretary of State may make provisions about the accounting practices (“proper practices”) to be followed by local authorities. Regulation 31(a) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 specifies that the accounting practices contained in the Code of Practice on Local Authority Accounting in the United Kingdom (“the Code”) are to be regarded as proper practices. The code is issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

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3.3 Equality Implications

An EIA is not required because there are not any specific changes to service delivery proposed within this decision.

3.4 Environmental Implications

There are no significant implications within this category.