

**RESOURCES AND PERSONNEL POLICY PORTFOLIO
COUNCILLOR G Marshall****Portfolio Holder's Report to Council – 14 December 2022****Finance Services Update****Audit of the Statement of Accounts**

The draft Statement of Accounts for 2021/22, which are available on the Council's website, are being scrutinised by Mazars, the external auditors. Although Mazars have almost concluded their work on the accounts, the auditors were not in a position to present their Audit Completion Report and sign off the accounts by 30 November.

The majority of the Nottinghamshire district councils were similarly not anticipating to have completed their respective audits in November due to a variety of issues. The outstanding matters for this Council include:

- Mazars awaiting the outcome of the Nottinghamshire Pension Fund audit, with Grant Thornton, the fund's external auditors, only confirming their final opinion on the Pension Fund's 2021/22 accounts on 14 November 2022.
- An issue regarding the accounting treatment of 'infrastructure assets' that is being considered at a national level, where the Government is now considering an optional temporary statutory instrument to the Code of Practice that would allow audits to be completed. The indicative date for the statutory override is 25 December 2022.
- Some final internal enquiries to consider with officers, including matters relating to Property, Plant and Equipment valuations on the Balance Sheet.

Mazars has not indicated any significant findings from its audit testing to date and the aim remains to achieve a clean and unqualified audit opinion on the 2021/22 accounts. An update was recently presented to Governance, Audit and Standards Committee on 28 November 2022.

Business Planning and Budget Setting 2023/24

The production of new business plans and the budget setting process for 2023/24 is well underway. Officers have prepared draft business plans, submitted their revenue and capital estimates and have reviewed the fees and charges lists.

The proposed business plans and financial estimates will be scrutinised by Overview and Scrutiny Committee on 30 and 31 January 2023, in advance of being considered at Cabinet on 7 February 2023 with a recommendation onto Full Council to approve the budget on 4 March 2023.

This is inevitably going to be another challenging budget round, particularly in view of the impact of high inflation (including pay awards, rising cost of energy and fuel and construction costs) and the 'cost of living crisis' along with uncertainties surrounding what extra funding support may be made available to local authorities.

Officers are working through the implications of the announcements made by the Chancellor in his Autumn Statement on 17 November 2022, with details of the local government financial settlement expected nearer to Christmas. Officers will continue to review the situation as part of the budget setting process and update the Medium Term Financial Strategy accordingly.

Budget Consultation

The Budget Consultation for 2023/24 closed on 30 November. The web-based questionnaire was actively promoted through the usual channels, with all responders being entered into a prize draw. The Council received a good level of response last year and was looking for similar levels of public engagement again to feed into the latest budget round. It is pleasing to note that 1,210 responses were received by the close of the consultation on 30 November 2022, with a final push in 'Broxtowe Matters' helping to push the response level to over 1,000.

Internal Audit

A revision to the Internal Audit Plan for 2022/23 was approved by Governance, Audit and Standards Committee on 28 November 2022. This was to allow for a vacancy within the Internal Audit team earlier in the year that has now been filled.

Internal Audit work remains focussed on higher-risk areas, including key financial systems. The Chief Audit and Control Officer has performed a mid-term review of the Internal Audit Plan with a view to producing a robust yet realistic programme for the remainder of the year. The audits deferred will be considered for inclusion in the 2023/24 plan and could commence from April 2023.

Systems

Finance Services is leading on the implementation of the intelligent scanning system for creditor payments. There has been sound improvement in the number of transactions being processed through this efficient system, with the application automating the payment of matched supplier invoices. There is no manual data entry of an invoice once a goods received note has been entered against the approved purchase order. The system scanning functionality enables processing and indexed filing at the time of processing, thus saving officer time.

A series of training workshops for system users has continued into December, after which time the focus will move towards supporting any service areas not fully utilising the system as part of 'business as usual'.