

Audit and Risk Committee

24 July 2023

Report title	Assessment of Going Concern Status	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
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Report to be/has been considered by

Recommendation for noting:

The Audit and Risk Committee is asked to note:

1. The assessment of Going Concern Status

1.0 Purpose

1.1 This purpose of this report is to provide Audit and Risk Committee with the Section 151 Officers assessment of the Council's Going Concern status for the City of Wolverhampton Council.

2.0 Background

2.1 The concept of a 'going concern' statement assumes that an authority, its functions and services will continue in operational existence for the foreseeable future. This assumption underpins the accounts drawn up under the Local Authority Code of Accounting Practice and is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies.

2.2 Local authorities have to compile a Statement of Accounts in accordance with Code of Practice Local Authority Accounting for 2022-2023 as published by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with the Code, the Council's Statement of Accounts is prepared assuming that the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available.

2.3 The main factors which underpin the going concern assessment are:

- The Council's current financial position
- The Council's projected financial position
- The Council's governance arrangements
- The regulatory and control environment applicable to the Council as a local authority

2.4 The Council owns three other organisations, Wolverhampton Homes, WV Living and Yoo Recruit. The performance of these organisations has also been considered when preparing the Going Concern Statement.

2.5 It is considered that, having regard to the Council's arrangements and such factors as highlighted in the Going Concern statement, that the Council remains a going concern.

2.6 The Council's assessment on its Going Concern is at Appendix 1.

3.0 Financial implications

3.1 There are no direct financial implications arising from this report. The Final Budget 2023-2024 and Medium Term Financial Strategy approved by Full Council on 1 March 2023 provided details of the budget position of the council over the medium term.

[AS/14072023/C]

4.0 Legal implications

- 4.1 Section 25 of the Local Government Act 2003 requires the authority's Section 151 Officer to comment on the robustness of budget estimates and the adequacy of reserves.
- 4.2 Section 114 (1) of the Local Government Finance Act 1988 places a duty on the Section 151 Officer to report certain matters to the authority. This does not apply here as through the assessment of going concern the S.151 Officer has confirmed that she has the required level of assurance on the robustness of budget estimates and the adequacy of reserves
- 4.3 The proposed approach is lawful and in compliance with the relevant legislation
[DP/14072023/A]

5.0 Equalities implications

- 5.1 There are no direct equalities implications arising from this report. However, any consideration given to the Council's budget and Medium Term Financial Strategy have direct or indirect equality implications.

6.0 All other Implications

The implications of Covid-19 are detailed in Appendix 1.

7.0 Appendices

- 7.1 Appendix 1: Assessment of Going Concern