

Committee Name and Date of Committee Meeting

Audit Committee – 26 November 2024

Report Title

Audited Statement of Accounts 2023/24

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

Under the Accounts and Audit (amendment) Regulations 2022, local authorities were required to publish their unaudited accounts no later than 31st May 2024, for the financial year 2023/24, accompanied by a Narrative Report and draft Annual Governance Statement. The deadline for the publication of final audited accounts is 30th September 2024 but due to capacity limitations in the audit sector Grant Thornton have not been able to complete the audit within this timescale.

The Council presented draft accounts to Audit Committee on the 25th June 2024 and published those accounts before the 31st May 2024 as per the deadline. An update on the position was presented to the Audit Committee on the 26th September 2024. The audit of the Council's accounts is now nearing completion and Grant Thornton will present to Audit Committee their ISA 260 report along with any recommendations from the audit.

The ISA 260 report sets out Grant Thornton's overall conclusions from their 2023/24 audit in relation to their statutory objectives to give an opinion on the Council's financial statements.

Members are asked to consider Grant Thornton's findings, as set out in the ISA260 Report (Appendix 4), before formally approving the 2023/24 Audited Statement of Accounts (Appendix 1) and the 2023/24 Narrative Report (Appendix 2) for publication as final and to issue Grant Thornton with the Letter of Management Representations (attached as Appendix 3) which Grant Thornton require to complete their audit.

Members will note that Grant Thornton intend to issue an unqualified opinion on the Statement of Accounts, subject to formal completion of their audit.

At this point Grant Thornton have not concluded their Value for Money work as such are not able to confirm an unqualified opinion in respect of the Council's value for money arrangements.

Recommendations

1. That Audit Committee, having taken due regard of the external audit findings, detailed within the ISA 260 report, formally approve the 2023/24 Statement of Accounts attached as Appendix 1 for publication as final and the 2023/24 Narrative Report attached as Appendix 2 for publication as final.

List of Appendices Included

Appendix 1 – 2023/24 Audited Statement of Accounts

Appendix 2 – 2023/24 Narrative Report

Appendix 3 – 2023/24 Letter of Management Representations (to be issued at the meeting)

Appendix 4 – ISA 260 (to be issued at the meeting)

Background Papers

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 Accounts and Audit (amendment) Regulations 2022

Audit Committee meeting – 25th June 2024

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Closure of the Accounts 2023/24

1. Background

- 1.1 Under the Accounts and Audit (amendment) Regulations 2022, local authorities were required to publish their unaudited accounts no later than 31 May 2024, for the financial year 2023/24, accompanied by a Narrative Report and draft Annual Governance Statement. The deadline for the final publication of the Council's audited accounts was 30th September 2024.
- 1.2 The Council presented draft accounts to Audit Committee on the 25th June 2024 and published those accounts before the 31st May 2024 as per the deadline. The audit of the Council's accounts is now nearing completion and Grant Thornton will present to Audit Committee their ISA 260 report along with any recommendations from the audit.

2. Key Issues

- 2.1 Although the ISA 260 was not finalised at time of the production of this report, Grant Thornton have clearly indicated they intend to issue an unqualified opinion on the Statement of Accounts. There are some points of clarity to resolve on the Council's accounts as part of the audit work that need to be finalised in order to complete the ISA 260. Grant Thornton will provide an update at the meeting on the current position.
- 2.2 The detailed changes to the Statement of Accounts are set out in the ISA 260.
- 2.3 There are a number of minor corrections and presentational changes that have been agreed.
- 2.4 The Council has fully engaged with the external audit and endeavoured to respond to issues as quickly and efficiently as possible. Though it should be noted that an audit taking place during July to November is far from ideal and at times this has impacted the Council's ability to respond as efficiently as would be preferred.
- 2.5 The ISA 260 Report outlines any issues that Grant Thornton have found with regards to areas of significant audit risk, their opinion as to whether reasonable professional judgement has been exercised and provides recommendations for further improvements in the production of the accounts.

3. Options considered and recommended proposal

- 3.1 There is no discretion on whether to comply with the Code of Practice on Local Authority Accounting or the Accounts and Audit (amendment) Regulations 2022. The purpose of the recommendations is for Audit Committee to meet its responsibilities in relation to the closure of the accounts.

4. Consultation on proposal

- 4.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the financial statements being prepared.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The statutory deadline for publishing the audited financial statements was 30th September 2024. Grant Thornton were not able to conclude their audit by this point.

6. Financial and Procurement Advice and Implications

- 6.1 There are no financial or procurement implications directly associated with this report, other than continuing to produce good quality financial statements and supporting working papers which meet Grant Thornton's expectations and will help to minimise the audit fee.

7. Legal Advice and Implications

- 7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit (amendment) Regulations 2022.

8. Human Resources Advice and Implications

- 8.1 There are no Human Resource implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no implications arising from this report to Equalities and Human Rights.

11. Implications for CO2 Emissions and Climate Change

- 11.1 No direct implications.

12. Implications for Partners

12.1 There are no other implications arising from this report to Partners.

13. Risks and Mitigation

13.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

14. Accountable Officer(s)

Judith Badger (Strategic Director of Finance & Customer Services)

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