

Audit Committee



Date of meeting: 25 February 2025

Title	To receive the final Statement of Accounts and Audit Report for 2023-24
Purpose of the report	To approve the final version of the 2023-24 Statement of Accounts
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	All
Recommendations	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1.To approve the Statement of Accounts for 2023-24 and the Letter of Representation; and 2.To accept the External Auditors' report and disclaimer opinion.
Reasons for the recommendations	<p>The Council accepts the need to address the issues identified in the two external audit reports and has implemented a strong and cohesive plan to address the issues highlighted in the 2023-24 reports from Grant Thornton ahead of the 2024-25 closed down process. This includes regular reporting to this committee on progress against plan.</p> <p>Please note that there is a statutory deadline to submit signed accounts by 28 February 2025</p>

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • Under the national backstop arrangements Councils are required to publish audited Statement of Accounts for 2023-24 by 28th February 2025- Appendix A 	<ul style="list-style-type: none"> • The Council has a statutory responsibility to publish by 28th Friday 2025, finalised accounts • To assist in the process of rebuilding assurance for stakeholders

<ul style="list-style-type: none"> • At the December 2024 Audit Committee the Committee accepted disclaimer opinions to clear a 5 year backlog of audited accounts. • On 28th January 2025 the Committee received an initial interim Annual Audit and an Audit Findings Report, both of which made a number of recommendations which are the subject of another report on the Agenda • The backlog context, particularly with respect to opening balances has meant the external auditors are not able to issue an audit opinion but will be issuing a disclaimer opinion – Appendix B • The External Auditors have slightly updated their accompanying interim Annual Audit Report – Appendices C and D 	
<p>This is what we want to do about it</p>	<p>These are the next steps</p>
<ul style="list-style-type: none"> • Review the draft Statement of Accounts (Appendix B), the Log of amendments (Appendix E) and the Letter of Representation (Appendix F) • Approve the Statement of Accounts for 2023-24 	<ul style="list-style-type: none"> • Chair of the Committee and Chief Finance Officer to sign the Statement of Accounts and Letter of Representation. • Publish by close of play on 28th February the final Statement of Accounts for 2023-24

1.1 The report and related appendices relate to the external audit of the 2023-24 Statement of Accounts. In respect of the final Value for Money Statement for 2023-24, Grant Thornton have advised that they will wait until after the Best Value Inspectors report has been published, before they can issue their final Value for Money report, so the Annual Audit Report appended to this report is still interim, as the Best Value Inspection report has not yet been published.

2. Key issues

2.1 Local authorities are required to have their accounts annually independently audited annually by external auditors and to receive an annual audit opinion on the effectiveness and efficiency of their arrangements for securing Value for Money.

2.2 Following on from backstop arrangements relate to the annual external audit and Value for Money (VfM) Statements from 2018-19 to 2022-23 inclusive, the Government put in national backstop dates for the years 2023-24 to 2027-28

for Statement of Accounts to receive Audit Opinions with backstop dates gradually become shorter in length between the dates, to support and sustain the national recovery from the backlog position. For 2023-24 Accounts (Appendix A) the deadline is 28th February 2025. The backstop arrangements have been put in place nationally by the Government working with the National Audit Office, Financial Reporting Council, the Public Sector Auditor Appointments and the Chartered Institute of Public Finance and Accountancy.

- 2.3 The Council's auditors for 2023-24, as appointed by the Public Sector Audit Appointments organisation are Grant Thornton. As had been expected, following on from five years of unaudited accounts, Grant Thornton as the new incoming auditors are unable to issue an opinion on the Statement of Accounts and are issuing a disclaimer (Appendix B) as they had not been able to obtain sufficient appropriate audit evidence by the backstop date to conclude that the Authority's and group's financial statements for the year ended 31 March 2024 as a whole are free from material misstatement.
- 2.4 The appended Statement of Accounts reflects a number of amendments, summarised in Appendix C, following discussions with the External Auditors. By confirming that the Statement of Accounts provides a true and fair view of the Council's finances for the financial year 2023-24, the S151 Officer is confirming that the audited accounts for those years are free from material misstatement.
- 2.5 The previous Audit Committee received the initial interim Annual Audit Report and the Audit Finding Reports, both of which made a number of recommendations which are subject of another report on the Agenda of this meeting. The External Auditors have refined their interim Annual Audit Report and attached is Appendix D showing the changes and Appendix E the clean version of the report. One Key Recommendation, following discussions with councillors has been removed from the report but the associated governance issues are addressed in the report.
- 2.6 As part of the audit process, the Council is required to submit a signed Letter of Representation (Appendix F).

3. Options analysis and proposal

- 3.1 Option 1 – Accept the External Auditors Report and approve the Statement of Accounts for 2023-24
- 3.2 Option 2 – do not accept the External Auditors Report and approve the Statement of Accounts for 2023-24

4 Financial management comments

- 4.1 The Statement of Accounts provide a key summary of the financial position of the Council at a point in time. The Annual Audit Report and the Audit Findings Report highlight a number of financial management issues as well as broader governance issues which are being addressed, see the report on the Action Plans.

5 Risk management comments

- 5.1 The Annual Audit Report identifies a number of key corporate risks and officers have implemented a strong plan to deal with the points raised during the 2024-25 close down process.

5.2 Officers will be reporting regular to this committee on progress against the plan over the coming months.

6 Procurement comments

6.1 No direct procurement implications

7 Legal comments

7.1 The Accounts and Audit (Amendment) Regulations 2024 must be complied with by councils and this report sets out the Council will achieve this.

7.2 In the event that the deadline of 28 February 2025 is not met, the Council will be required to publish an explanatory notice and send a copy of that notice to the Secretary of State.

8 Other Considerations

8.1 None.

9. Equality and Diversity

9.1 Good governance underpins ability to make decisions to address appropriately .

9 Sustainability/Climate Change Implications

9.1 Good governance underpins ability to make decisions to address the challenges of sustainability and climate change.

10 Timetable for implementation

10.1 2023-24 Accounts to be published by close of play Friday 28th February.

11 Contact

11.1 Paul Taylor – p.taylor@spelthorne.gov.uk.

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers:

First Draft Annual Audit Report 2023-24

Audit Findings Report 2023-25

Appendices:

Appendix A – Final Statement of Accounts

Appendix B – External Audit Opinion and Report to the Audit Committee

Appendix C – Log of amendments to the Statement of Accounts

Appendix D - Annual Audit Report with changes highlighted

Appendix E – Annual Audit Report clean final version

Appendix F – Letter of Representation