

# Cheltenham Borough Council

## Audit, Compliance and Governance Committee –

**22 October 2024**

### **2022/23 Final Accounts**

---

**Accountable member:**

Councillor Alisha Lewis, Cabinet Member for Finance and Assets

**Accountable officer:**

Paul Jones, Deputy Chief Executive and S151 Officer

**Ward(s) affected:**

All

---

**Key Decision:** No

**Executive summary:**

To bring an update on the statement of accounts for 2022/23 for Audit, Compliance and Governance Committee to review and sign off.

**Recommendations:**

1. The Audit, Compliance and Governance Committee to sign off final statement of accounts 2022/23 and letters of representation for 2022/23.
- 

## **1. Implications**

### **1.1 Financial, Property and Asset implications**

The financial implications are contained throughout the report. The main implication is that the accounts have now been closed but not audited. General Balances Reserve is £1.398m at 31 March 2023 as reported to Council 24 July 2023.

**Signed off by:** Jon Whitlock, Chief Accountant, [jon.whitlock@cheltenham.gov.uk](mailto:jon.whitlock@cheltenham.gov.uk)

## 1.2 Legal implications

The Accounts and Audit Regulations 2015 set out the requirements for the production and publication and audit of the annual statement of accounts.

**Signed off by:** One Legal [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

## 1.3 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Making Cheltenham the Cyber Capital of the UK
  - Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
  - Increasing the number of affordable homes through our £180m housing investment plan
  - Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
  - Being a more modern, efficient and financially sustainable council
- 

## 2 Background

2.1 The single entity draft accounts were published at the end of end of May 2023 for the 2022/23 accounts. The full group accounts were then published at February 2024.

2.2 The statement of accounts and financial records have not been audited for this financial year by our external auditors Grant Thornton due to resourcing issues so remain unaltered from the draft accounts produced. The accounts have to be signed off due to the 'back stop' dates introduced for outstanding audits – by 13 December 2024 for year 2022/23.

2.3 After approval by this committee the final accounts will be available on the website or a hard copy can be obtained. Members can access the draft accounts via this link: [https://www.cheltenham.gov.uk/info/18/council\\_budgets\\_and\\_spending/494/statement\\_of\\_accounts\\_and\\_annual\\_report](https://www.cheltenham.gov.uk/info/18/council_budgets_and_spending/494/statement_of_accounts_and_annual_report) and a hard copy is available in the Finance department.

2.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) Toolkit for Local Authority Audit Committees published in 2006 recommends the following focus in relation to the committee's review of the financial statements:

- the suitability of accounting policies and treatments
- any changes in, and compliance with, accounting policies and treatments
- major judgemental arrears such as provisions
- significant adjustments and material weaknesses in internal control reported by the external auditor

There have been no changes to these areas of work and assumptions since the accounts for each of these years were produced.

## 3 Final Statement of Accounts 2022/23

- 3.1 The statement of accounts are now finalised, have not been audited and there are no further changes for 2022/23 from those reported in 2023.
- 3.2 Included within the Statement of Accounts 2022/23 the closing general balances as at 31 March 2023 were £1.398m million. This is £104,000 lower than the original budget set in February 2022 at Council.
- 3.3 The draft balance sheet for 2022/23 shows a net worth of £399.5 million at 31 March 2023 compared to a net worth of £365.6 million at 31 March 2022. This is due mainly to a reduction in the pension fund deficit and increase in long term assets.
- 3.4 The regulations require the formal approval of the accounts and this will be signed by the Chair of the Audit, Compliance and Governance Committee signing and dating the accounts on the page entitled the Statement of Responsibilities for the Statement of Accounts. This statement is from the Chief Finance Officer S151 and will also be signed.

### **3.5 Audit work to finalise the accounts**

There has been no audit of the 2022/23 statement of accounts and ultimately a lack of auditing resources nationally to be able to complete outstanding and future audits has contributed to the significant delays. Another issue for all audits from 2020/21 is the increased level of audit work that audit firms need to carry out and the extra time and resource required by each client to provide that information. Government has been working on options about how to address the backlog with backstop dates for outstanding audits. We are now in a position where the accounts for 2022/23 need to be signed off to comply with the backstop dates for these accounting years of 13 December 2024.

### **3.6 Letter of Representation – 2022/23**

Our external auditor requires assurances from us on various financial matters including statutory and contractual requirements, reasonableness of estimates and provisions, responsibility for internal controls, various disclosures and information provided. These are detailed in the attached letter for 2022/23 which needs recommendation for approval by this committee.

### **3.7 Final Auditors Annual Report 2022/23**

Grant Thornton have submitted their final version of this report which is unchanged from the 'interim' version previously circulated to Members other than to alter the title of the document to 'final' so no further action required.

## **4 Reasons for recommendations**

- 4.1 To bring a close to the 2022/23 statement of accounts and allow the commencement of the 2023/24 audit of accounts. Without sign off of the 2022/23 accounts it would cause further delays in auditing the 2023/24 accounts.

## **5 Consultation and feedback**

- 5.1 The draft accounts are advertised as available for inspection and are available on the website. As required by legislation these will be updated with the final version including the external audit opinion on our website.

**Report author:**

Jon Whitlock, Chief Accountant, jon.whitlock@cheltenham.gov.uk

**Appendices:**

- i. Letter of Representation 2022/23
- ii. Statement of Accounts 2022/23

**Background information:**

Financial Outturn Report 2022-23 – Council 24 July 2023