

Cheltenham Borough Council

Audit, Compliance and Governance Committee

25 February 2025

Final Accounts 2023-24

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 the final draft of the statement of accounts for 2023/24 for Audit, Compliance and Governance Committee to review and sign off.

Recommendations: That Audit, Compliance and Governance Committee:

1. notes the final draft of the statement of accounts 2023/24;
 2. subject to any material changes to the accounts between the committee date and the backstop date of 28 February 2025, delegates authority to the Chair of the Audit, Compliance and Governance Committee to sign the final accounts and management letter of representation 2023/24.
-

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 fully audited.

Signed off by: Jon Whitlock, Chief Accountant, 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

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 2024 for the 2023/24 accounts. The full group accounts were then published in January 2025 following the receipt of the accounts for Gloucestershire Airport Limited which are consolidated into our own.

2.2 The statement of accounts and financial records have been subject to a light touch audit for this financial year by our new external auditors Bishops Fleming due to timing constraints caused by the delays in concluded the 2022/23 audit with Grant Thornton. The accounts have to be signed off due to the 'back stop' dates introduced for outstanding audits – by 28 February 2025 for year 2023/24.

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 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 2023/24

3.1 The final draft statement of accounts included in Appendix 1, have been subject to a light touch audit and there are not expected to be an further material changes to the accounts presented to Committee.

3.2 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.

3.3 There has been a light touch audit of the 2023/24 statement of accounts due to the delays in conclusion of the 2022/23 audit protocol by Grant Thornton. The Government set a backstop date for the finalisation of the 2023/24 statement of accounts of 28 February 2025. As a result from the beginning of the engagement with Bishops Fleming we expected a qualified opinion on these statements because of the limited time available for a full audit. We are already preparing for the 2024/25 closedown and are taking steps to minimise the chance of another qualified opinion for the financial year ending 31 March 2025.

4 Letter of Representation – 2023/24

4.1. 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 2023/24 which needs recommendation for approval by this committee.

5 Final Auditors Annual Report 2023/24

5.1. Bishops Fleming have submitted their final draft version of their audit report and Value for Money conclusion for consideration by the Committee.

6 Reasons for recommendations

6.1 To bring a close to the 2023/24 statement of accounts and allow the commencement of the 2024/25 closedown and accounts preparation. Without sign off of the 2023/24 accounts it would cause further delays in auditing the 2024/25 accounts.

7 Consultation and feedback

7.1 The draft accounts have been advertised as available for inspection and are available on the Council's website. As required by legislation these will be updated with the final version including the external audit opinion on our website once signed.

Report author:

Gemma Bell, Director of Finance & Assets, gemma.bell@cheltenham.gov.uk

Appendices:

- i. Statement of Accounts 2023/24
- ii. Letter of Representation 2023/24

Background information:

Financial Outturn Report 2023/24 – Council 22 July 2024