

<b>Report To:</b>	<b>CABINET</b>
<b>Date:</b>	<b>17<sup>TH</sup> MARCH 2025</b>
<b>Heading:</b>	<b>AUDITED STATEMENT OF ACCOUNTS 2023/24</b>
<b>Executive Lead Member:</b>	<b>EXECUTIVE LEAD FOR FINANCE, REVENUES AND BENEFITS – CLLR RACHEL MADDEN</b>
<b>Ward/s:</b>	<b>N/A</b>
<b>Key Decision:</b>	<b>NO</b>
<b>Subject to Call-In:</b>	<b>NO</b>

## **Purpose of Report**

This report presents the Cabinet with the Council's Statement of Accounts for 2023/24 and reports on the outcome of the external audit of the Council's Statement of Accounts 2023/24.

Subject to approval of the Statement of Accounts by Cabinet, the audited Financial Statements will then be presented placed on the Council's website.

## **Recommendation(s)**

Cabinet is requested:

- 1) To approve the Council's Financial Statements and for these to be placed onto the Council's website.

## **Reasons for Recommendation(s)**

To comply with the Accounts and Audit Regulations (SA 2015, 234) and with Financial Regulations which form part of the Council's Constitution. These state the Cabinet is responsible for approving the Annual Statement of Accounts as appropriate.

## **Alternative Options Considered**

None as it is a statutory requirement for Council's to publish the audited Annual Statement of Accounts and for Council's Cabinet to approve these.

## **Detailed Information**

The deadline for publication of the draft 2023/24 Statement of Accounts was set by government as 31 May 2024. The original deadline for the final audited Statement of Accounts was 30 September 2024. Unfortunately, the Council's External Auditors were unable to undertake their work promptly, following delays completing the prior year audit. However, this is now concluded with the issuing of the following reports:

- Audit Strategy and Completion Report – this was considered by the Audit Committee on 27 February 2025, enabling the Committee to recommend that Cabinet approve the accounts.
- Auditor's Annual Report – this summarises the whole work undertaken by the auditor, comprising the 23/24 accounts, value for money commentary and other matters.

The final Statement of Accounts, pending Audit Certificate, is attached at appendix 1 and the Auditor's Annual Report is also appended.

The audit resulted in several amendments to the draft Statements published in May 2024, but these were minor in character. They reduced the balance reported on the Council's General Fund by £90k. There is no impact on the balance reported in the Housing Revenue Account balance. The changes were mainly technical accounting items and presentational issues, including the change in the Council's Corporate Resources Director in October 2024.

There is a well-documented national backlog in local government financial reporting. Only a handful of the 2023/24 audits completed by the September deadline and, as at the end of January, only 77 audits had been completed from a national population of 459. As noted above, this has affected Ashfield, in that, whilst our draft accounts were produced by the 31 May deadline, the auditor was unable to commence the audit promptly. Government has introduced measures intended to resolve the backlog. These included the guillotining of outstanding 2023/24 audits, with the intention that councils would publish their audited accounts by a 'backstop date' of 28 February 2025.

As a result of these backstop arrangements, the Council's external auditors have determined that there is insufficient time to complete their audit procedures and as such will be issuing a disclaimer of opinion on the Council's financial statements.

At the time of announcing the 'backstop', government acknowledged that there would likely be a significant number of audits that resulted in a 'disclaimed (backstop) opinion'. Officers understand that more than 200 such opinions have now been issued. Government also made clear that where this occurs, councils should not be judged unfairly. The auditor's Completion Report noted that, whilst he cannot issue a normal opinion in the circumstances, the work he had undertaken up to the backstop had not raised any matters that would have led to an unmodified opinion. The impact of the disclaimed opinion is therefore not expected to be significant.

Officers are responding to the matters raised in the Auditor's Annual Report, with the aim of achieving normal unmodified audit opinions at the earliest opportunity.

Following the 'backstop' arrangements, the Council was expected to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. Unfortunately, it has not been possible to meet this deadline. In these circumstances, the Accounts and Audit Regulations require the Council to:

- a) on or as soon as reasonable practicable after the last publication date, publish a notice stating –
  - i. that it has not been able to publish its accountability statements,
  - ii. its reasons for this, and
  - iii. that it acknowledges that it must publish its accountability statements as soon as reasonably practicable,
- b) on or as soon as reasonably practicable after the last publication date, send a copy of the notice mentioned in sub-paragraph a) to the Secretary of State, and
- c) as soon as reasonably practicable publish its accountability statements.

The required notice was issued on 28 February to comply with these requirements. The accounts will be published on the website once they are signed, which is expected to take place as soon as possible after the Cabinet meeting.

## **Implications**

### **Corporate Plan:**

Production of timely and accurate Statement of Accounts is a statutory requirement. Achievement of this reflects sound financial management supporting delivery of the Corporate Plan.

### **Legal:**

The approval of the audited Statement of Accounts ensures compliance with the legislation. The Constitution requires Cabinet to approve the audited Annual Statement of Accounts". [RLD 14/03/2025]

### **Finance:**

There are no funding implications arising from this report. However, the financial accounts are the key document that communicates the Council's financial performance to the taxpayer, central government and other stakeholders. The approval and publication of the financial accounts is therefore an essential part of the Council's financial governance arrangements. [PH 26/02/2025]

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	As per the Statement of Accounts
General Fund – Capital Programme	As per the Statement of Accounts
Housing Revenue Account – Revenue Budget	As per the Statement of Accounts
Housing Revenue Account – Capital Programme	As per the Statement of Accounts

**Risk:**

Risk	Mitigation
Not applicable	Not applicable

**Human Resources:**

No implications.

**Environmental/Sustainability**

No implications.

**Equalities:**

No implications.

**Other Implications:**

None

Not applicable.

**Background Papers**

- Draft Statement of Accounts 2023/24;
- Forvis Mazars: Auditor's Annual Report
- Forvis Mazars: Audit Strategy and Audit Completion Report.

**Report Author and Contact Officer**

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