

| Report of          | Meeting              | Date             |
|--------------------|----------------------|------------------|
| Director (Finance) | Governance Committee | 27 November 2024 |

## Statement of Accounts 2023/24

|                              |    |
|------------------------------|----|
| Is this report confidential? | No |
|------------------------------|----|

|                       |    |
|-----------------------|----|
| Is this decision key? | No |
|-----------------------|----|

### Purpose of the Report

- To present for approval the audited Statement of Accounts for 2023/24.

### Recommendations

- To approve the Statement of Accounts for 2023/24 (Appendix A), subject to any amendments identified during the final stages of the completion of the External Audit by Grant Thornton, which in the opinion of the Director of Finance (Section 151 Officer) are minor in nature, i.e. defined as non-material to the finance position of the council;
- To delegate authority to the Director of Finance, in consultation with the Chair of the Governance Committee, to make such amendments;
- If amendments are identified by Grant Thornton during the final stages of the completion of the External Audit which the Director of Finance considers to be material to the financial position of the council, the Governance Committee will be reconvened to approve the new Statement of Accounts;
- To authorise the Director of Finance and the Chair of the Governance Committee to sign the Letter of Representation (Appendix B).

### Reasons for recommendations

- Approval of the Annual Statement of Accounts is a statutory obligation.

### Other options considered and rejected

- The Statement of Accounts are prepared in the form required to meet professional accounting standards and to comply with statutory regulations. There are therefore no alternative options that can be adopted.

## Corporate priorities

8. The report relates to the following corporate priorities:

|  |  |
|--|--|
| <b>Housing where residents can live well</b>                                       | <b>A green and sustainable borough</b>       |
| <b>An enterprising economy with vibrant local centres in urban and rural areas</b> | <b>Healthy, safe and engaged communities</b> |

## Background to the report

9. The Accounts and Audit Regulations came into force on the 1st April 2015 and have subsequently been amended, most recently by the Accounts and Audit (Amendment) Regulations 2024, which became effective from 30 September 2024. These regulations set the statutory timetable for production, approval and audit of the Statement of Accounts.
10. The responsible Financial Officer must sign and date the Draft Statement of Accounts and certify that it presents a true and fair view of the financial position of the Authority at the year end, and of the income and expenditure for the year. The draft statement was signed and dated on 1 July 2024.
11. The responsible Financial Officer must then commence the period for the 'exercise of public rights' and notify the external auditor of the date on which that period commenced. This must be for a period of 30 working days. The period for the exercise of public rights in respect of the 2023/24 accounts ran from 2 July 2024 through to 12 August 2024.
12. There is no requirement for Members to approve the Statement of Accounts at this stage in the process.
13. The responsible Financial Officer must, on behalf of the authority, publish (including publication on the authority's website) the draft Statement of Accounts, along with the Annual Governance Statement, a Narrative Report and a declaration, signed by that Officer to the effect that the status of the Statement of Accounts is unaudited and that the published Statement of Accounts may be subject to change. The draft accounts were published on the council's website on 1 July 2024.
14. Once the full draft Statement of Accounts have been published, and the public inspection period has begun, then the audit of the accounts by the council's external auditors, Grant Thornton, can commence.
15. Once the audit has been completed, the Regulations specify that the responsible Financial Officer must reconfirm on behalf of the authority that they are satisfied that the Statement of Accounts present a true and fair view of the financial position of the authority at the year end, and the income and expenditure for the year. The council is then required to:
- consider, either by way of a committee, or by the members meeting as a whole, the Statement of Accounts;
  - approve the Statement of Accounts by a resolution of that committee or meeting;
  - ensure that the Statement of Accounts is signed and dated by the person presiding at the committee or meeting at which that approval is given.

17. Chorley Council delegates the responsibility for the approval of the accounts to the Governance Committee.
18. For 2023/24, the date for completion of the audit and final approval and publication of the Statement was originally determined through government legislation as on or by 30 November 2024; however due to the scale of the audit backlogs across the country, new legislation has been passed and this date has been extended to 28 February 2025.
19. As such, based on this new date, once approved the council must publish by no later than 28 February 2025;
  - the Statement of Accounts together with any certificate or opinion, entered by the local auditor;
  - the Annual Governance Statement; and
  - the Narrative Statement.
20. Publication of the final documents must include publication on the council's website

### **Approval of the Statement of Accounts 2023/24**

21. The draft Statement of Accounts 2023/24 was signed by the Director of Finance on 1 July 2024 and published on the council's website, together with details of public inspection rights.
22. Despite efforts made, this was slightly beyond the deadline set by government of 31 May 2024 due to the available resources within the Finance Team. The external auditors were kept fully informed of the position and on 1 July 2024 accounts were presented to them for audit.
23. The Auditor's 'Audit Findings Report' is presented as a separate report on this agenda. This sets out adjusted misstatements, unadjusted misstatements, and misclassification and disclosure changes in the current version of the Statement of Accounts. At the time of writing this report the audit of the accounts has not been fully completed. A few matters are still under consideration and so there is a possibility that further changes to the Statement of Accounts may be required. The details of the work yet to be undertaken is stated on page 4 of their report.
24. The Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2024, require that the statement should be approved by a meeting of Members by 28 February 2025, or should that not prove possible, 'as soon as is reasonably practicable after the receipt of any report from the auditor which contains the auditor's final findings from the audit which is issued before the conclusion of the audit'.
25. The full Statement of Accounts for 2023/24 is attached as Appendix A for consideration and approval.
26. Following consideration and approval by this Committee, the Chair is required to sign and date the Statement, which should also be re-certified by the Director of Finance, as soon as is practicable. The Statement of Accounts will then be published on the Chorley Council website; [www.chorley.gov.uk](http://www.chorley.gov.uk).

27. The Director of Finance and the Chair of the Governance Committee should also sign the Letter of Representation which is attached at Appendix B.
28. Given that at the time of writing this report the audit of the accounts has not yet been fully completed, it is recommended that if necessary, the Director of Finance in consultation with the Chair of the Governance Committee, should approve any further non-material amendments to the Statement of Accounts before the accounts are signed and dated. If the Director of Finance is of the opinion that the amendments are material to the financial position of the council, then Governance Committee should be reconvened to approve the new Statement of Accounts.

### Changes to Draft Statement of Accounts Published on 1 July 2024

29. Appendix D (page 35) of the Draft Audit Findings Report sets out the main adjustments made to the Statement of Accounts from the version published on 1 July 2024.

| Detail  | Comprehensive Income and Expenditure Statement<br>£000 | Balance Sheet<br>£000  | Impact on total net expenditure<br>£000 | Impact on general fund<br>£000 |
|---|--|--|---|--------------------------------|
| <b>Property, Plant and Equipment (Note 15)</b>  |  |  |   |                                |
| <b>Revaluation increase/decrease recognised in revaluation reserve</b>  |  |  |   |                                |
| Five other land and building assets and two community assets were identified where there were differences between the revaluation figures provided by the valuer and the figures recorded in the asset register. When corrected these impacted on the revaluation reserve.  |  | Other land and buildings +£447<br>Revaluation Reserve -£405<br>Community assets -£42 |   |                                |
| <b>Revaluation increase/decrease recognised in comprehensive income and expenditure statement</b>   |  |  |   |                                |
| Four other land and building assets were identified where there were differences between the revaluation figures provided by the valuer and the figures recorded in the asset register. When corrected these impacted on the comprehensive income and expenditure statement.  | Impairment Loss -£209                                  | Other land and buildings +£209   | -£209                                   | +£209                          |
| <b>Assets reclassified – incorrect reclassification of assets between asset categories</b>  |  |  |   |                                |
| We have identified Wigan Lane Playing Fields has been completed and opened in September 2023 and therefore should not have been classified as Assets under Construction.  |  | Other land and buildings +£283<br>Asset under construction -£283                     |   |                                |
| We have noted an error in the valuation of the Astley Hall contents heritage asset. £67,415 of new expenditure was classified under the heritage asset for new contents located in Astley Hall. This has incorrectly been included under the heritage assets disclosure item and should be included in the Astley Hall Other land and buildings item in the fixed asset register. |  | Other land and buildings +£67<br>Heritage assets -£67                                |   |                                |

### Climate change and air quality

30. The information noted in this report does not impact on the council's carbon emissions and the wider climate emergency and sustainability targets of the council.

### Equality and diversity

31. This report has no implications for equality and diversity.

### Risk

32. Risk implications apply in relation to compliance with the Accounts and Audit Regulations 2015 (as amended) 2024, and in preparing the financial statements in accordance with the statutory timetable. The accounts must be compliant with the

relevant standards and must be prepared on a true and fair view basis. Failure to comply could result in a failure to meet the statutory duty.

### **Comments of the Statutory Finance Officer**

33. There are no direct financial implications arising from this report. The report meets the statutory accounting requirements for the Statement of Accounts to be produced and is a factual statement of the income and expenditure flows over the course of the 2023/24 financial year, and a snapshot of the Balance Sheet position as at 31st March 2024.

### **Comments of the Monitoring Officer**

34. The legal implications are in respect of the Accounts and Audit Regulations 2015 (as amended) 2024, and the requirement that the accounts must be compliant with the relevant accounting standards and codes of practice and must be prepared on a true and fair view basis. Failure to comply could result in a failure to meet the statutory duty.

### **Background documents**

- Accounts and Audit (England) Regulations 2015 (as amended) 2024
- CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24

### **Appendices**

Appendix A: Draft Financial Statements 2023/24

Appendix B: Draft Letter of Representation 2023/24

| Report Author:   | Email:                       | Telephone:   | Date:            |
|--|------------------------------|--------------|------------------|
| Daryl Cassidy (Principal Financial Accountant/Deputy S151 Officer) | daryl.cassidy@chorley.gov.uk | 01257 515151 | 18 November 2024 |