

Report Title: Statement of Accounts 2023/2024

Date of meeting:	12 th February 2025		
Report to:	Audit and Governance Committee		
Report of:	Executive Director of Corporate Services and Commercial		
Portfolio:	Corporate Services		
Wards affected:	All wards		
Is this a key decision:	No	Included in Forward Plan:	No
Exempt/confidential report:	No		

Summary:

To present the final audited Statement of Accounts for 2023/2024, including the updated Annual Governance Statement, for consideration and approval, and also to consider the Grant Thornton’s Interim Auditor’s Annual report and their Audit Findings report.

In addition, the proposed “Letter of Representation” document to be provided by Sefton to Grant Thornton is attached for approval.

Recommendation(s):

That Audit and Governance Committee:

- (1) Approve the Statement of Accounts for 2023/24, subject to the final completion of the audit.
- (2) Delegate authority to the Chair to approve the final Statement of Accounts, on behalf of Audit and Governance Committee, following completion of the audit, should any changes be required to the current version approved by this Committee.
- (3) Approve the updated Annual Governance Statement for 2023/24 (Section 11 of the Statement of Accounts).
- (4) Note the comments of Grant Thornton within their Interim Auditor’s Annual report and their Audit Findings report.
- (5) Approve the Letter of Representation, subject to completion of the audit,

and Authorise the Chair and the Executive Director of Corporate Services and Commercial to sign it on the Council's behalf.

- (6) Delegate authority to the Chair and the Executive Director of Corporate Services and Commercial to sign on the Council's behalf a revised Letter of Representation should the approved version need to be updated following the completion of the audit.

1. The Rationale and Evidence for the Recommendations

The Council, or nominated Committee charged with responsibility for Governance, must approve the Statement of Accounts, including the Annual Governance Statement. The Audit and Governance Committee has been delegated with this responsibility and is required to approve the audited Statement of Accounts prior to their publication.

The deadline for publication of the final approved Statement of Accounts for 2023/24 was 30 September 2024. However, the regulations allow for a delay in publication where the audit has not yet been completed. As a backstop date has been set for 28th February 2025 for audits to be finalised for Statement of Accounts for 2023/24 so the Statement of Accounts are now being presented for approval in advance of this deadline.

- 1.1 Since 2010/2011 the Audit and Governance Committee has only been required to approve the Statement of Accounts following the completion of the Audit and doesn't need to approve the draft Statement of Accounts. However, the Council has continued to present the draft Statement of Accounts to the Committee so that it is able to consider the contents prior to the final audited version being presented for approval at a later date.
- 1.2 Since 2019/20 the deadlines for approval and publication of the audited Statement of Accounts have been changed a number of times. The Government have now implemented legislation that from 2022/2023 (to 2027/2028) the deadline for approving the audited Statement of Accounts will be 30 September rather than 31 July (with a deadline of 31 May for the publication of the draft accounts).
- 1.3 The draft Statement of Accounts for 2023/2024 were published on the 31 May 2024 in line with the regulations and were presented to the Committee for their consideration in June 2024.
- 1.4 The audit of the Statement of Accounts for 2023/2024 has been undertaken by the Council's new external auditors, Grant Thornton. The audit is almost complete, and this report presents their Interim Auditor's Annual report, and their Audit Findings report for consideration.
- 1.5 The deadline for publication of the final approved Statement of Accounts for 2023/24 was 30 September 2024. Although regulations require the publication of the Statement of Accounts by specific deadlines, the same regulations allow for this to be delayed where the audit has yet to be concluded. This delay needs to be published on our website. The publication of the final Statement of Accounts needs to take place "*as soon as 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*".
- 1.6 Members will also recall that the Government has issued regulations to try to resolve the issue of numerous local government audits still being outstanding. An overview of these regulations were reported to Audit and Governance in September 2024. The main impact on Sefton's outstanding audits for 2023/24 was the introduction of a backstop date of 28th February 2025. By this date the Statement of Accounts would need to be approved, and the audit completed.

2 Current Position on the Completion of the audit of the Statement of Accounts 2023/24

- 2.1 The draft Statement of Accounts for 2023/24 were presented to the Committee on 19th June 2024. Since then, the Council's new external auditors, Grant Thornton, has been conducting their audit of the Statement of Accounts, as well as undertaking work to assess the Council's Value for Money arrangements. A significant amount of work had been undertaken by September 2024. However, the audit couldn't be completed until the audits of the Statement of Accounts for 2021/22 and 2022/23 had been completed by the Council's previous external auditors. The Statement of Accounts for 2021/22 and 2022/23 were approved in early December 2024. Grant Thornton are therefore now able to complete their audit for 2023/24.
- 2.2 At the time of publishing this report there were still a number of areas where the audit has yet to be completed. These are outlined at the beginning of Grant Thornton's Audit Findings report (**Appendix C**).

- 2.3 The final Statement of Accounts for 2023/24 is attached as **Appendix B** (subject to final changes being identified before the audit is completed). Since the draft Statement of Accounts was previously considered by the Committee in June 2024 the document has been updated for a number of adjustments identified as being required during the audit – these are summarised in Appendix D of Grant Thornton’s Audit Findings report. It should be noted that none of the adjustments made to the Statement of Accounts impact on the Council’s General Fund position previously reported to Cabinet. In addition, a number of disclosures / narrative items have been updated throughout the Statement of Accounts.

3 Annual Governance Statement

- 3.1 The “Annual Governance Statement” is required to be presented with the Statement of Accounts. The updated statements for 2021/22 and 2022/23 are included as section 11 of the Council’s Accounts and need to be formally accepted by this Committee.

4 Grant Thornton’s Reports to those charged with Governance.

- 4.1 Grant Thornton’s Interim Auditor’s Annual Report for the year ended 31st March 2024 is attached at **Appendix B**. Their Audit Findings for Sefton Council – year ended 31st March 2024 is attached at **Appendix C**. The reports cover the audit of the Statement of Accounts and Value for Money work undertaken by Grant Thornton for 2023/24. Staff from Grant Thornton will be present at the meeting to provide a summary of the issues contained in the report and to answer any questions Members may have.
- 4.2 As has been previously reported, due to the Statement of Accounts for 2021/22 and 2022/23 having a “disclaimed” opinion, the Statement of Accounts for 2023/24 will therefore also need to a “disclaimed” opinion issued. Grant Thornton will explain this issue at the meeting.

5 Letter of Representation

- 5.1 The Council is required to provide a letter of representation to the Auditor at the conclusion of the audit. This acknowledges the Council’s responsibilities in preparing the Accounts and provides the assurance to EY that no new information or decisions have been taken that would materially affect the Statement of Accounts for the year. Sefton’s letter is attached at **Appendix D**. No issues or decisions have been made / need to be disclosed. The letter has to be signed by the Chair of the Audit and Governance Committee and the Executive Director of Corporate Services and Commercial.
- 5.2 Should the approved version need to be updated following the completion of the audit, it is proposed to delegate authority to the Chair and the Executive Director of Corporate Services and Commercial to sign on the Council’s behalf a revised Letter of Representation.

Financial Implications

None

Legal Implications

The Accounts and Audit Regulations (2015) has been amended through secondary legislation.

Corporate Risk Implications

The reporting of the Council's financial position each year through the Statement of Accounts, and the subsequent issuing an audit opinion from the Council's external auditor, supports its Financial Sustainability in 2024/25 and future years.

Staffing HR Implications

None

Conclusion

The introduction of measures by the Government means that the outstanding audits for 2023/24 need to be finalised by the 28th February 2025. This report presents the final Statement of Accounts for 2023/24 for approval.

Alternative Options Considered and Rejected

None.

Equality Implications: There are no equality implications.
Impact on Children and Young People: None.
Climate Emergency Implications: The recommendations within this report will have a neutral impact.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Services and Commercial is the author of this report (FD 7943/25).

The Chief Legal and Democratic Officer (LD6043/25) has been consulted and any comments have been incorporated into the report.

(B) External Consultations

None

Implementation Date for the Decision:

Immediately following the meeting.

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Appendices:

The following appendices are attached to this report:

Appendix A – Statement of Accounts 2023/24

Appendix B – Grant Thornton – Interim Auditor’s Annual Report for the year ended 31st March 2024

Appendix C – Grant Thornton – The Audit Findings for Sefton Council – year ended 31st March 2024

Appendix D – Letter of Representation - year ended 31st March 2024

Background Papers:

There are no background papers to this report.

