

This is a public report	
2022/23 Final Statement of Accounts	
Committee	Accounts, Audit and Risk Committee
Date of Committee	20 November 2024
Portfolio Holder presenting the report	Deputy Leader of the Council and Portfolio Holder for Finance, Property and Regeneration, Councillor Lesley McLean
Date Portfolio Holder agreed report	8 November 2024
Report of	Assistant Director of Finance (S151 Officer), Michael Furness

Purpose of report

To ask the Committee to note the final 2022/23 Statement of Accounts and the changes that have been made since the draft version which was brought to the Committee at its March 2024 meeting.

1. Recommendations

The Accounts, Audit and Risk Committee meeting resolves:

- 1.1 To note the final 2022/23 Statement of Accounts (Appendix 1) and the associated changes between draft and final version.

2. Executive Summary

- 2.1 The Ministry for Housing, Communities and Local Government has implemented audit backstop dates to reset the local government audit system in England. Under this legislation the audit for 2022/23 is required to be completed by the 13th December 2024. As the council's external auditors, Ernst & Young LLP (EY) are not able to gain sufficient assurance by this date a disclaimer opinion will be issued, giving no assurance on the statement of accounts for 2022/23. However, the value for money assessment has been completed as usual and is expected to be reported to the committee in January.
- 2.2 The Chairman of the Accounts Audit and Risk Committee and the S151 Officer were granted delegated authority by the Committee at its meeting in September 2024 to finalise and sign the accounts and the final Letter of Representation. This will be completed before the audit opinion is signed.
- 2.3 Since the publication of the draft statement of accounts for 2022/23 there have been some minor changes for the final statement of accounts. The final statement of accounts is attached at appendix 1. The changes are summarised in section 4.

Implications & Impact Assessments

Implications	Commentary			
Finance	There are no financial implications arising directly from this report. Joanne Kaye, Head of Finance, 30 October 2024			
Legal	There are no legal implications arising directly from this report. Alison Coles, Legal Services Operations Manager, 7 November 2024			
Risk Management	There are no risk management implications arising directly from this report. Celia Prado-Teeling, Performance Team Leader, 8 November 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				N/A
Climate & Environmental Impact				N/A
ICT & Digital Impact				N/A
Data Impact				N/A
Procurement & subsidy				N/A
Council Priorities	N/A			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

Supporting Information

3. Background

- 3.1 The draft statement of accounts for 2022/23 were noted by the committee at its meeting 20 March 2024. The committee received a draft of the 2022/23 letter of representation at its meeting in September 2024 and gave the S151 Officer and the Chair of the committee delegated authority to finalise and sign both the letter of representation and the final statement of accounts to conclude the audit.
- 3.2 At the September 2024 meeting it was also outlined that the 2022/23 statement of accounts would receive a disclaimer opinion, which councils across the country will be receiving as part of the government's audit reset plans. The council is expecting to receive this disclaimer opinion before the backstop deadline of the 13th December 2024.

4. Details

- 4.1 Since the Committee noted the draft statement of accounts, there have been a few changes made to reach the final statement of accounts. The main change which affects both the Comprehensive Income and Expenditure Statement (CIES) and Balance Sheet (and supporting notes) is that a £1.43m downward valuation of property had been missed from the draft statements. This was an oversight for which processes have been put in place to avoid a reoccurrence. There is no impact on the General Fund. The impact on the CIES of correcting this for the final statement of accounts is shown below. Of the £1.43m downward valuation, £1.382m was charged to the revaluation reserve due to previous upward valuations. The remaining £0.048m is charged to the service. The £0.001m change to financing and investment (income) and expenditure is a rounding correction.

Table 1: Impact on the CIES of changes between draft and final statements

	Net Expenditure per draft Statement of Accounts £'000	Changes £'000	Net Expenditure per final Statement of Accounts £'000
Chief Executive	8,531		8,531
Communities	13,151		13,151
Resources	14,852	48	14,900
Cost of Services	36,534	48	36,582
Other Operating Expenditure	4,551		4,551
Financing and Investment (Income) and Expenditure	(657)	1	(656)
Taxation and Non-specific Grant (income)	(36,135)		(36,135)
(Surplus) or Deficit on Provision of Services	4,294	48	4,341

(Surplus) or deficit on revaluation of Property, Plant and Equipment	(2,818)	1,382	(1,436)
Remeasurement of the net defined benefit liability / (asset)	(58,146)		(58,146)
Other Comprehensive (Income) and expenditure	(60,964)	1,382	(59,582)
Total Comprehensive (Income) and expenditure	(56,670)	1,430	(55,241)

4.2 The impact of the revaluation on the Balance sheet is summarised in Table 2 below. The £1.43m downward valuation affects the balance of Property, Plant and Equipment. As mentioned above, £1.382m is charged to the revaluation reserve, in Unusable Reserves. The remaining £0.048m that is charged to services is then transferred to the Capital Adjustment Account, also in Unusable Reserve, as part of the required statutory adjustments to ensure that valuation movements do not impact on the general fund. Therefore, the impact on Unusable Reserves totals £1.43m, mirroring the change in Property, Plant and equipment.

Table 2: Impact on the Balance Sheet of changes between draft and final statements

Balance Sheet	Draft	Changes	Final
	£'000	£'000	£'000
Property, Plant and Equipment	176,081	(1,430)	174,650
Investment Property	4,640		4,640
Intangible Assets	1,965		1,965
Long Term Investments	35,649		35,649
Long Term Debtors	70,409		70,409
Long Term Assets	288,744	(1,430)	287,314
Current Assets	61,582		61,582
Current Liabilities	(76,523)		(76,523)
Long Term Liabilities	(222,106)		(222,106)
Net Assets/(Liability)	51,697	(1,430)	50,266
Usable Reserves	(35,671)		(35,671)
Unusable Reserves	(16,026)	1,430	(14,596)
Total Reserves	(51,697)	(1,430)	(50,266)

4.3 There have also been other minor changes which are listed below which have been made to enhance the meaningfulness of the statements for the reader:

- The Expenditure and Funding Analysis and note 7a have been revised to better reflect the adjustments required in reporting cost of services in the Comprehensive Income and Expenditure statement compared to the outturn report received by Executive.
- The classification of business rates income in notes 12, 13 and 29 has been corrected to reflect that only part of this is 'grant income' in the form of S31 grants from central government, and the remainder is 'income from taxation'.
- The debtors figure in Note 31 – Capital Expenditure and Capital Financing has been adjusted by £225k to remove an amount in relation to a deferred capital receipt which had been incorrectly included in the capital financing requirement in a previous year.
- Disclosure Note 32 – Leases has been corrected to remove duplicated minimum lease payments included in 32.4 Authority as Lessor – Operating Leases.
- Within the group accounts, adjustments were made for changes between draft and final accounts of the council's subsidiaries. This includes a £1.8m decrease in valuation of property belonging to a subsidiary which was agreed as part of their external audit.

5 Conclusion and Reasons for Recommendations

- 5.1 The statement of accounts has been prepared according the CIPFA code and represents a true and fair view of the council's financial position. The Accounts, Audit and Risk Committee is invited to note the final statement of accounts and discuss these with officers to obtain an understanding of the changes made between draft and final.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Final Statement of Accounts 2022/23
Background Papers	None
Reference Papers	External Audit 2022/23 Update - September 2024 AARC
Report Author	Alex Rycroft, Strategic Finance Business Partner

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Corporate Director Approval (unless Corporate Director or Statutory Officer)	Report of Statutory Officer, Section 151 Officer