

This is a public report	
2023/24 Final Statement of Accounts	
Committee	Accounts, Audit and Risk Committee
Date of Committee	19 March 2025
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration Councillor Lesley McLean
Date Portfolio Holder agreed report	4 March 2025
Report of	Assistant Director of Finance (Section 151 Officer),

Purpose of report

To ask the Committee to note the final 2023/24 Statement of Accounts and the changes that have been made since the draft version which was brought to the Committee at its July 2024 meeting.

1. Recommendations

The Accounts Audit and Risk Committee resolves to:

- 1.1 Note the final 2023/24 Statement of Accounts (Appendix 1) and the associated changes between draft and final version.
- 1.2 Note the final letter of representation for 2023/24 (Appendix 2).
- 1.3 Note the final Auditor's Annual Report (Appendix 3) and Audit Completion Report (Appendix 4) from the council's external auditors, Bishop Fleming.

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 2023/24 was required to be completed by the 28 February 2025.
- 2.2 On the 28 February 2025 the council's external auditors Bishop Fleming LLP issued a disclaimer opinion for the 2023/24 statement of accounts. This was due to the disclaimer opinion issued by the previous external auditors, Ernst and Young LLP, for the 2022/23 statement of accounts. This meant that Bishop Fleming did not have assurance over the opening balances for the 2023/24 audit. However, the value for money assessment has been completed as usual and is included in the Auditor's annual report (Appendix 3).
- 2.3 The Chairman of the Accounts Audit and Risk Committee and the S151 Officer were granted delegated authority by the Committee at its meeting in January 2025

to finalise and sign the accounts and the final Letter of Representation. They did so on 27 February 2025. The council published the accounts on its website on the 28 February 2025.

- 2.4 Since the publication of the draft statement of accounts for 2023/24 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. Comments checked by: Joanne Kaye, Head of Finance, 03/03/2025			
Legal	The report sets out the changes and amendments to the draft statement of accounts. The report also provides the statutory background for the report and notes the reasons for the disclaimer of opinion issued by the external auditors. The recommendation is to note the final statement, letter of representation and report and as such there are no legal implications arising directly from this report. Comments checked by: Denzil – John Turbervill, Head of Legal, 05/03/2025			
Risk Management	There are no risk management implications arising directly from this report. Comments checked by: Celia Prado-Teeling, Performance Team Leader, 03/03/2025			
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 2023/24 were noted by the committee at its meeting 17 July 2024. The committee received a draft of the 2023/24 letter of representation at its meeting in January 2025 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 January 2025 meeting it was also outlined that the 2023/24 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. This is primarily due to the disclaimer opinion received for the 2022/23 statement of accounts, leaving Bishop Fleming unable to rely on the opening balances and comparative figures in the 2023/24 statement of accounts.

4. Details

Final Changes between draft and final accounts

- 4.1 Since the Committee noted the changes to the draft statement of accounts in January 2025, there has been one further change made to reach the final statement of accounts.
- 4.2 The final change, as alluded to in the report in January, is in relation to the pension liability. The liability has increase by £7.65m to reflect what is known as the 'asset ceiling effect'. Under International Accounting Standard (IAS) 19 the council is required to recognise an additional liability where the past service contributions agreed with the pension fund would give rise to a future surplus and not be available after they are paid (i.e. available as a refund or reduction in future contributions).

- 4.3 This £7.65m reflects the present value of future contributions which are above those required to settle pension obligations, and which the council would not be able to get back from the pension fund. This calculation assumes that the current level of past service contributions is continued over the funding time horizon (currently 20 years). However, the pension fund reviews these contributions every 3 years, with the next review covering the 2026/27 to 2028/29 period. The council is proactively engaging in talks with the pension fund ahead of the next review to ensure the council's contributions are appropriate. From the initial discussions it is expected that past service contributions will reduce over time as the fund is in a surplus position. As such the council does not expect any additional liability in relation to asset ceiling adjustments to materialise, instead it will reduce over time as the contribution rates are adjusted to align with the funding level of the pension fund.
- 4.4 There is no impact on council taxpayers from the pension adjustment as this does not impact on usable reserves. This change, along with those noted by the committee at its meeting in January 2025 have all been reflected in the final Statement of accounts at Appendix 1. Tables 1 and 2 are included below to demonstrate the impact of these changes between the draft and final versions on the CIES and balance sheet.

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	9,180		9,180
Communities	14,472		14,472
Resources	7,855	(22)	7,833
Cost of Services	31,508	(22)	31,485
Other Operating Expenditure	5,933		5,933
Financing and Investment (Income) and Expenditure	(1,428)		(1,428)
Taxation and Non-specific Grant (income)	(40,551)		(40,551)
(Surplus) or Deficit on Provision of Services	(4,539)	(22)	(4,560)
(Surplus) or deficit on revaluation of Property, Plant and Equipment	(33)	495	462
Remeasurement of the net defined benefit liability / (asset)	(12,765)	7,650	(5,115)
Other Comprehensive (Income) and expenditure	(12,798)	8,145	(4,653)
Total Comprehensive (Income) and expenditure	(17,337)	8,123	(9,213)

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	175,769	(1,903)	173,866
Investment Property	4,274		4,274
Intangible Assets	1,750		1,750
Long Term Investments	35,649		35,649
Long Term Debtors	73,236		73,236
Long Term Assets	290,677	(1,903)	288,774
Current Assets	35,486		35,486
Current Liabilities	(78,852)		(78,852)
Provisions	(1,770)		(1,770)
Long Term Borrowing	(145,000)		(145,000)
Pension Liabilities	(15,050)	(7,650)	(22,700)
Long Term Creditors	(14)		(14)
Grants Receipts in Advance - Revenue	(5,655)		(5,655)
Grants Receipts in Advance - Capital	(10,789)		(10,789)
Long Term Liabilities	(178,278)	(7,650)	(185,928)
Net Assets/(Liability)	69,034	(9,553)	59,480
Usable Reserves	(43,322)		(43,322)
Unusable Reserves	(25,712)	9,553	(16,158)
Total Reserves	(69,034)	9,553	(59,480)
Balance	0	0	0

4.5 There have also been other minor changes which are listed below:

- Amending the officers' remuneration note to reflect that non-taxable expenses should not be included, and to correct the bandings in the officers' remuneration over £50k table.
- Amending the related parties disclosure for Banbury Museum Trust to include that the council leases the museum to the trust.
- Changes to the group accounts to reflect changes made between draft and final accounts of subsidiary companies, including a £2.65m increase in the valuation of property, plant and equipment owned by subsidiaries.
- Amending the external audit costs note to reflect the split between audit fees for the current year and audit fees in relation to previous years.

Audit Opinion

4.6 On 28 February 2025, the council's external auditors issued a disclaimer opinion for the 2023/24 statement of accounts. The Auditor's Annual Report (Appendix 3) and Audit Completion Report (Appendix 4) outline the work completed as part of the audit.

- 4.7 As well as the adjustments outlined above there were four minor errors identified as part of the audit testing. These are detailed on page 14 of appendix 4. The council has not adjusted for the amounts quoted in 2023/24 as these are extrapolated errors – meaning that this is the expected level of error across all transactions based on the sampled items the auditors tested. As such, this does not represent an exact amount that should be corrected. As the totals are below the materiality threshold the council has not made any changes in 2024/25 but the errors identified from the samples will be corrected in 2024/25. Officers will continue to improve processes to avoid future errors.
- 4.8 The auditors have also outlined in section 7 of Appendix 4 that there are 7 recommendations, none of which are considered to be significant control issues. The council has reviewed these recommendations and provided a management comment for each within the appendix.
- 4.9 As reported to the committee in January, the external auditors have also completed their value for money assessment. Based on the work carried out they are satisfied that there are no significant weaknesses in the council’s arrangements for securing value for money, and have only highlighted one minor recommendation for improvement. This conclusion is considered to be about as positive as it gets for a value for money assessment.

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 associated auditor reports. The committee is also invited to discuss these with officers and the external auditors to obtain an understanding of the changes made between draft and final and the outcome of the audit.

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 2023/24

Appendix 2	Final Letter of Representation 2023-24
Appendix 3	Auditor's Annual Report 2023-24
Appendix 4	Audit Completion Report 2023-24
Background Papers	None
Reference Papers	External Audit 2023/24 Update – January 2025 AARC External Audit 2022/23 Update – September 2024 AARC Draft Statement of Accounts 2023-24024 – July 2024 AARC
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Corporate Director Approval (unless Corporate Director or Statutory Officer report)	N/A – Statutory Officer report