



**COTSWOLD**  
District Council

Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>AUDIT AND GOVERNANCE COMMITTEE – 28<sup>th</sup> JANUARY 2025</b>
Subject	<b>2023/24 EXTERNAL AUDIT REPORT AND AUDIT OPINION</b>
Wards affected	None
Accountable member	Cllr Mike Every, Deputy Leader and Cabinet Member for Finance and Transformation Email: <a href="mailto:mike.every@cotswold.gov.uk">mike.every@cotswold.gov.uk</a>
Accountable officer	David Stanley, Deputy Chief Executive and S151 Officer Email: <a href="mailto:david.stanley@Cotswold.gov.uk">david.stanley@Cotswold.gov.uk</a>
Report author	Michelle Burge, Chief Accountant Email: <a href="mailto:michelle.burge@Cotswold.gov.uk">michelle.burge@Cotswold.gov.uk</a>
Summary/Purpose	<p>To update the Committee on the findings of the financial statement and Value for Money (VFM) external audit of the 2023/24 financial year.</p> <p>External Audit expect to sign the accounts on the w/c 3 February 2025 following the completion of a small number of outstanding points and after the committee have had the opportunity to review the findings of their audit work.</p>
Annexes	Annex A – Audit Completion Report 2023/24 Annex B – Auditor’s Annual Report 2023/24 (NOT YET FINALISED) Annex C- Statement of Accounts 2023/2024 Annex D – Letter of Representation 2023/2024
Recommendation(s)	That the Audit and Governance Committee resolves to: <ol style="list-style-type: none"><li>1. Note the Audit Completion Report (Annex A) and revised 2023/24 Statement of Accounts (Annex C)</li><li>2. Delegate authority to the Deputy Chief Executive and S151 Officer, in consultation with the Chair of the Audit and</li></ol>



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	<p>Governance Committee, to approve the 2023/24 Statement of Accounts upon receipt of advice for any outstanding issues from the External Auditor.</p> <p>3. Recommend that the Chair of the Audit and Governance Committee and Deputy Chief Executive and Section 151 Officer sign the Letter of Representation (Annex D)</p>
Corporate priorities	<ul style="list-style-type: none"><li>• Delivering Good Services</li></ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Draft accounts were available for public inspection between the 12 <sup>th</sup> August 2024 and 23 <sup>rd</sup> September 2024. The accounts were also available on the Council website.



## **1. BACKGROUND**

- 1.1** The Audit and Governance Committee is responsible for formally approving the audited Statement of Accounts on behalf of the Council. The committee considered the draft unaudited 2023/24 Statement of Accounts and Annual Governance Statement on the 23<sup>rd</sup> July 2024.
- 1.2** The 2023/24 draft Statement of Accounts were published on the 9<sup>th</sup> August 2024 and a training session on the draft Statement of Accounts was held for all Committee Members on the 17<sup>th</sup> September 2024.
- 1.3** Members will be aware of the wider delays with the audit of the accounts and receiving audit opinions across local government. The statutory deadline for completing the 2023/24 audit was the 30<sup>th</sup> September 2024, on the 9<sup>th</sup> September 2024, the Secretary of State for MHCLG laid regulations to introduce statutory deadlines for publication of audited accounts amending the Accounts and Audit Regulations 2025. These came into force on the 30<sup>th</sup> September with the intention of addressing the backlog in local government accounts. For the 2023/24 financial year, under these new regulations, an authority must publish its accountability statement (namely its audited statement of accounts, annual governance statement and narrative statement) on or before 28<sup>th</sup> February 2025.
- 1.4** Bishop Fleming, the Council's external auditors undertook their audit of the 2023/24 Statement of Accounts between September 2024 and January 2025.
- 1.5** External Audit's work in respect of Value for Money (VFM) also requires them to satisfy themselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

## **2. ACCOUNTS AUDIT**

- 2.1** The audit is now substantially complete and subject to a small number of outstanding items being resolved; Bishop Fleming anticipate issuing an unqualified audit opinion.
- 2.2** Attached to this report at Annex A is the 2023/24 Audit Completion Report for Cotswold District Council. The report details the work undertaken by Bishop Fleming



as part of their formal audit of the accounts. It outlines the key findings and matters arising from the statutory audit process.

- 2.3** Bishop Fleming have not identified any material errors or adjustments to the financial statements. No adjustments have been identified that result in an adjustment to the Council's Comprehensive Income and Expenditure Statement or Balance Sheet. A small number of adjustments have been made to improve the presentation of the financial statements as set out in section six of Bishop Fleming's report.
- 2.4** One adjusted item is listed in section six in relation to the understatement of Cotswold District Council's share of the asset value in the Gloucestershire County Council Pension Fund as reported by KPMG, this item has not been adjusted as management consider it is not material to the financial statements.
- 2.5** There are two recommendations included in section seven of the Audit Completion Report, both relate to issues that would, if corrected, improve internal controls in general and engender good practice, but are unlikely to have a material impact on the financial statements. Management has provided responses as set out on page 14.
- 2.6** Once approved, the audited statements will be published on the Council's website and a notice advertised of the full completion of the audit.

### **3. VALUE FOR MONEY AUDIT**

- 3.1** Bishop Fleming's work on the Value for Money (VFM) conclusion in respect of the Council's arrangements for the year ended 31 March 2024 is complete.
- 3.2** Bishop Fleming is satisfied that the Council has made proper arrangements in securing economy, efficiency and effectiveness in its use of resources. Their work is reported separately in the Auditor's Annual Report (Annex B). Work was carried out in accordance with the External Audit Plan issued to the Council in July 2024.
- 3.3** The Code of Audit Practice requires external audit to report on the Council's arrangements under three specified reporting criteria:
  - Financial sustainability – how the Council plans and manages its resources to ensure it can continue to deliver its services;
  - Governance – how the Council ensures it makes informed decisions and properly manages its risks; and



- Improving economy, efficiency and effectiveness – how the Council uses information about its costs and performance to improve the way it manages and delivers its services.

**3.4** No significant weaknesses were identified in the Councils arrangements. One recommendation was made for improvement in respect of financial sustainability. Three recommendations from 2022/23 remain ongoing, two in respect of governance arrangements and one in relation to improving economy efficiency and effectiveness, as outlined in section 8 of the Auditor's Annual Report (Annex B).

#### **4. THE LETTER OF REPRESENTATION**

**4.1** To complete the audit process the Council is required to submit a letter of representation to Bishop Fleming to complement the financial statements and confirm that the financial statements give a 'true and fair view' in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and applicable law.

**4.2** A draft copy of the letter is included in Annex D to this report.

**4.3** The Chair of the Audit and Governance Committee and the Deputy Chief Executive and Section 151 Officer are asked to sign the Letter of Representation under recommendation (3) to this report. Bishop Fleming are not able to issue their opinion on the accounts until the letter of representation has been received.

#### **5. ALTERNATIVE OPTIONS**

**5.1** None

#### **6. FINANCIAL IMPLICATIONS**

**6.1** There are no financial implications arising from this report.

#### **7. LEGAL IMPLICATIONS**

**7.1** The Council is required to approve the Statement of Accounts to comply with the Accounts and Audit Regulations 2015.

#### **8. RISK ASSESSMENT**



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9. If the Audit and Governance Committee do not approve the audited Statement of Accounts, the Council will not comply with the Accounts and Audit Regulations 2015.

**10. EQUALITIES IMPACT**

**10.1** None

**11. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

**11.1** None

**12. BACKGROUND PAPERS**

**12.1** None

(END)