



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 21 NOVEMBER 2024
Subject	2023/24 STATEMENT OF ACCOUNTS AND AUDIT OPINION – UPDATE REPORT
Wards affected	All
Accountable member	Cllr Mike Evey, Deputy Leader and Cabinet Member for Finance and Transformation Email: mike.evey@cotswold.gov.uk
Accountable officer	David Stanley, Deputy Chief Executive & Section 151 Officer Email: david.stanley@cotswold.gov.uk
Report author	David Stanley, Deputy Chief Executive & Section 151 Officer Email: david.stanley@cotswold.gov.uk
Summary/Purpose	This report updates members on the progress of the external audit of the Council's 2023/24 Statement of Accounts and Audit opinion.
Annexes	None
Recommendation(s)	That Audit and Governance Committee resolves to: <ol style="list-style-type: none">1. Note the progress of the audit and the update provided on the receiving the audit findings and opinion.2. Delegate authority to the Deputy Chief Executive & Section 151 Officer and the Chair of Audit and Governance Committee to receive and sign the audit opinion (subject to a copy of the audit finding report and audit statement of accounts being circulated to all members of the committee for comment and endorsement).
Corporate priorities	Delivering Good Services
Key Decision	NO
Exempt	NO



Consultees/ Consultation	N/A
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1. EXECUTIVE SUMMARY

- 1.1** This report updates members on the progress of the external audit of the Council's 2023/24 Statement of Accounts and Audit opinion.

2. BACKGROUND

- 2.1** The Council published the Draft (Unaudited) Statement of Accounts for the 2023/24 financial year during July 2024. These are available on the Council's website: [2023/24 Statement of Accounts - Unaudited](#)
- 2.2** Bishop Fleming, the Council external auditors, presented the 2023/24 Audit Plan to the committee at the meeting on 23 July 2024.
- 2.3** This set out the scope of the external audit work including an assessment of key risks, materiality, and the audit approach to be taken.

3. PROGRESS

- 3.1** The timetable set out in the audit plan indicated that audit field work would be completed during August to October 2024 with the committee receiving the Audit Report and opinion in October 2024.
- 3.2** Discussion at the July meeting extended the timetable with the intention of reporting the audit findings and opinion to the committee at the November meeting.
- 3.3** Bishop Fleming's audit team commenced their audit work, walkthrough tests and sampling in September 2024. Whilst good progress has been made and audit queries raised by Bishop Fleming have been responded to in a timely manner, it has not been possible for the audit work to be completed in time and an opinion to be issued for this committee meeting.
- 3.4** Work will continue on the audit throughout November and December 2024.
- 3.5** The intention is to provide the audit findings and report as soon as is practically possible. Whilst there is a scheduled meeting of the committee on 28 January 2025, should the audit be completed, and the opinion is able to be issued prior to January



2025 it is recommended that delegation is provided to the Chair of Audit and Governance Committee and the Deputy Chief Executive. This will avoid any risk around the backstop date (as set out in Section 4)

- 3.6** Prior to the delegation being exercised, copies of the audited Statement of Accounts and the Audit Findings report will be circulated to all members of the committee for comment and endorsement. It is intended that members will receive these reports a full week before the opinion is signed.

4. ADDRESSING THE LOCAL AUDIT BACKLOG

- 4.1** Under the previous Government, the then Department for Levelling-Up Housing and Communities (DLUHC) consulted on amending the Accounts and Audit Regulations 2015 as part of measures to tackle the backlog of unaudited local body accounts in England.
- 4.2** A series of 'backstop' dates (a statutory date to clear the backlog of unaudited accounts) up-to-and-including financial year 2022/23 with further dates for financial years 2023/24 to 2027/28 to enable the local audit system to recover. However, at the time of the General Election in July 2024 the previous government had not indicated its intentions following the consultation.
- 4.3** On 30 July 2024, the current government announced its intentions to pursue proposals (taking into account responses to the consultation) to address the local audit backlog. The proposals below were published in September 2024.

Statement of Accounts period	Statutory Deadline
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

- 4.4** The National Audit Office (NAO) published [Guidance on the impact of backstop arrangements on audits of English local authorities](#) in September 2024. In summary, the backstop date may require auditors to consider a modified opinion on the financial statements as the time constraint of the backstop date *"may impede the auditor from*



completing all the necessary procedures to obtain sufficient appropriate audit evidence to support the opinion.”

- 4.5** The NAO guidance sets out criteria the auditor must consider prior to the backstop date and in circumstances where the backstop date is not met. Subject to a number of factors (size and complexity of the audited entity, whether the local authority had published draft accounts of sufficient quality)), a limitation of scope may need to be considered.
- 4.6** At the same time, the Government confirmed that for financial years 2024/25 to 2027/28 local authorities must publish their draft Statement of Accounts by 30 June following the financial year to which they relate. This will provide more time to the finance team to prepare the accounts and to ensure they are high-quality accounts. This should, in turn, benefit auditors while still ensuring publication shortly after financial year end.

5. CONCLUSIONS

- 5.1** The Council will continue to work with Bishop Fleming’s auditors to ensure audit queries are responded to as they are raised to enable the audit findings report and opinion to be provided well ahead of the backstop date of 28 February 2025.

6. FINANCIAL IMPLICATIONS

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

7. LEGAL IMPLICATIONS

- 7.1** The statutory requirements for external audit are set by Part 2 of the Local Audit and Accountability Act 2014. Regulation 9A of the Accounts and Audit Regulations 2015 made under that Act imposes a duty on the Council to publish its accountability statements by prescribed dates as set out in paragraph 4.3 above. There are limited exceptions to this duty.

8. RISK ASSESSMENT

- 8.1** There is a risk that the audit of the Council’s financial statements and Value for Money opinion cannot be completed prior to the backstop date of 28 February 2025. The



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Council and Bishop Fleming remain confident that adequate resources are available to support the completion of the audit in a timely manner to mitigate this risk.

9. EQUALITIES IMPACT

9.1 None

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

10.1 None

11. BACKGROUND PAPERS

11.1 None

(END)