

# Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 20 February 2025

Wards affected: n/a

Report of the Joint Strategic Director of Finance and Resources

Author: Jo Knight

Tel: 01483 444891

Email: [Jo.knight@guildford.gov.uk](mailto:Jo.knight@guildford.gov.uk)

Lead Councillor responsible: Richard Lucas

Email: [Richard.lucas@guildford.gov.uk](mailto:Richard.lucas@guildford.gov.uk)

## Financial Statements for the Year Ended 31 March 2024

### 1. Executive Summary

- 1.1 In accordance with the Accounts and Audit Regulations 2015 the draft Statement of Accounts 2023-24 was signed by the Strategic Director Finance & Resources & S151 Officer on 31 May 2024. The Committee is required to consider and approve the audited accounts before they are published. The Accounts and Audit (Amendment) Regulations 2024, which came into force on 30 September 2024, set a backstop date of 28 February 2025 for publishing the audited 2023-24 accounts.
- 1.2 The year-end audit, carried out by our auditors Grant Thornton, commenced in September 2024 and were concluded late in January to ensure the audit was completed before the backstop.
- 1.3 A disclaimer of opinion has been issued for the 2023-24 accounts. This is due to several issues such as opening balances being disclaimed, misstatements and an inability to conclude all substantive testing.

## **2. Recommendation to Committee:**

- 2.1. That the updated Statement of Accounts for 2023-24 as set out in **Appendix 1** to this report, be approved.
- 2.2. That Grant Thornton's Audit Findings Report for the year ended 31 March 2024, as set out in **Appendix 2** to this report, be noted.
- 2.3. That the letter of representation on behalf of the Council, as set out in **Appendix 3** to this report, be approved and that the Chair of the meeting be authorised to sign the letter on the Council's behalf.

## **3. Reason for Recommendation:**

- 3.1 It is a legal requirement that the Council's statement of accounts for 2023-24 is considered and approved by this Committee and signed by the person presiding at the meeting prior to publication, by the deadline date for publication of 28 February 2025 (the backstop date).

## **4. Exemption from publication**

- 4.1. No.

## **5. Purpose of Report**

- 5.1 This report communicates the findings from the 2023-24 external audit.

## **6. Strategic Framework**

- 6.1 A key priority of the Council's Corporate Strategy is to ensure that we are a resilient and well-managed Council. The external audit of the accounts gives an opinion as to the effectiveness of the internal governance.

## **7. Background**

- 7.1 From the publication of the draft Statement of Accounts on 31 May 2024 to 12 July 2024 any person was able to inspect the accounts of the Council for the year ended 31 March 2024 and certain related documents (comprising books, deeds, contracts, bills, vouchers and receipts and other documents relating to those records). From 31 May

to 12 July 2024, a local government elector for the area of the Council, or their representative, could object to the Council's accounts asking that the auditor issue a report in the public interest (under Schedule 7 of the Local Audit and Accountability Act 2014) and/or apply to the court for a declaration that an item in the accounts is contrary to law (under section 28 of the 2014 Act). These rights were not exercised in respect of the Council's draft Statement of Accounts for 2023-24.

- 7.2 To address the backlog of unaudited local government accounts in England, the Government has amended the Accounts & Audit Regulations 2015 to include a series of backstop dates to enable the local audit system to recover. Where auditors have been unable to complete a full audit, they will issue a 'disclaimed' or 'modified' audit opinion. It is expected that there will be hundreds of such 'disclaimed' opinions being issued for the 2023-24 year and earlier, and it is likely that these will continue for some bodies for a number of subsequent years.
- 7.3 After considering comments from our external Auditors, and making adjustments that they felt were appropriate, the Strategic Director of Finance and Resources (S.151 Officer) has reconfirmed that he is satisfied that the Statement of Accounts presents a true and fair view of the financial position of the Authority at 31 March 2024 and of the authority's income and expenditure for 2023-24.
- 7.4 Grant Thornton modified their audit opinion for the Council's 2020-21 accounts due to a limitation of scope and the subsequent financial statement in 2021-22 and 2022-23 were disclaimed under the Government backstop arrangements. The Council's last unqualified audit opinion was in respect of the 2019-20 accounts.
- 7.5 A disclaimer of opinion has been issued for the 2023-24 accounts. This is due to several issues such as opening balances being disclaimed, misstatements and an inability to conclude all substantive testing.
- 7.6 An action plan has been agreed with staff and a number of actions are already being progressed.

## **8 Financial Implications**

8.1 There are no direct financial implications arising from this report.

## **9 Legal Implications**

9.1 The International Standard on Auditing (UK and Ireland) 260 requires the external auditor to report any issues arising from the audit of the Financial Statements to those charged with Governance. In the Council's case this is the Corporate Governance and Standards Committee.

9.2 The International Standard on Auditing (UK and Ireland) 580 requires the Chief Financial Officer to send a letter of representation to the external auditor. **Appendix 3** includes the draft of the 2023-24 letter of representation which officers recommend that the Committee approves and that the chair of the meeting signs on the Council's behalf.

## **10 Human Resource Implications**

10.1 There are no HR implications arising from this report

## **11 Conclusion**

11.1 The Auditor will issue a disclaimer audit opinion for 2023-24 following receipt of the letters of representation.

## **12 Background Papers**

None

## **13 Appendices**

Appendix 1: Updated Statement of Accounts for 2023-24

Appendix 2: Audit Findings report for 2023-24

Appendix 3: 2023-24 letter of representation