



Audit & Governance Committee
22 January 2025

Statement of Accounts 2023/24

Purpose of the report:

To inform the Committee of the result of the external audit of the council's 2023/24 Statement of Accounts, to receive the external auditor's Audit Results Report and to approve the council's letter of representation from the Council's s151 Officer (Deputy Chief Executive & Executive Director of Resources).

Recommendations:

It is recommended that the Committee:

1. Notes the contents of the Audit Results Report (ARR), as attached at Annex A.
2. Approves the 2023/24 Statement of Accounts, as attached in Annex B, for publication on the council's website, subject to any additional required changes.
3. Notes the Pension Fund Audit Results Report, as attached at Annex C.
4. Approves the Executive Director of Resources' letter of representation, which is attached in Annex D.
5. Approves the group letter of representation and Pension Fund letter of representation attached at Annex E.
6. The Audit and Governance Committee delegates any residual matters relating the audit of the accounts, the Group accounts and/or the pension fund accounts to the Section 151 Officer.

Introduction:

1. The Statement of Accounts for 2023/24 was presented to this Committee in July 2024 and signed off by the interim s151 officer at the time, as presenting a true and fair view of the Council's financial position as at the 31 March 2024 and its income and expenditure for the year. The accounts are attached at Annex B to this report.

2. The External Audit has been underway since then and this Committee received an update and noted the progress made in the external audit of the 2023/24 Statement of Accounts, in November 2024. The report highlighted that good progress had been made in completing the 2023/24 audit. Although the audit was still ongoing, a number of areas were substantially complete.
3. EY and Corporate Finance have been working to complete the outstanding queries to enable sign off of the Council's Statement of Accounts.
4. The auditor has provided a commentary and recommendations on the Statement of Accounts in the Audit Results Report (attached as Annex A).
5. The auditor anticipates issuing an unqualified opinion on the financial statements.

2023/24 Audit Findings

6. At the beginning of the audit, the auditors produce an audit plan, which was reported to Audit & Governance Committee in March 2024. The audit plan identified areas of significant risk of material misstatement. The audit findings report summarises the work completed in relation to these risk areas.
7. The Audit Findings Report 2023/24 is presented in Annex A and sets out a summary of the work carried out during the audit of the accounts, the conclusions reached, required changes made to the draft Statement of Accounts and recommendations. It also shares the results of the external auditor's work undertaken to assess the council's arrangements to secure value for money in the use of resources and any recommendations made.
8. The Pension Fund Accounts form part of the overall Council Accounts and are approved as part of the approval of the overall Statement of Accounts. A specific Audit Results Report for the Pension Fund Accounts is also produced by EY and is attached at Annex C.

Conclusions:

9. EY is expecting to issue an unqualified opinion on both the main accounts and Pension Fund accounts, subject to completion of final review points noted in the ARR.
10. The accounts themselves can be formally approved at this Audit and Governance Committee.

Financial and value for money implications:

11. There are no direct financial implications of this report, all financial implications in the accounts have been made in line with the Code of

Practice and any impact on the 2023/24 budget has been considered in the outturn report to Cabinet.

Equalities and Diversity Implications:

12. There are no direct equalities implications of this report.

Risk Management Implications:

13. Risk management implications are included in the Draft Statement of Accounts and areas of identified audit risk are set out in the Annexes.

Legal Implications – Monitoring Officer:

14. Section 151 of the Local Government Act 1972 provides that ‘every local authority shall make arrangements for the proper administration of their financial affairs and shall ensure that one of their officers has responsibility for the administration of those affairs.’
15. The proper administration of the Council’s financial affairs includes the obligation on the Council to have its accounts audited in accordance with the Audit Commission Act 1998.
16. The Council’s Constitution delegated responsibility for external audit matters to the Audit and Governance Committee, including supporting the independent of external audit, considering reports from the Council’s external auditors, and commenting on the scope and depth of external audit work to ensure it gives value for money.
17. Consideration of this report by the Audit and Governance Committee is in pursuance of the above mentioned obligations and is part of the Council’s fulfilment of its duties.

Next steps:

18. The statement of accounts will be published on the council’s website once formally signed off. Some of the formatting may change to ensure it complies with the council’s accessibility standards.

Report authors: Nikki O’Connor, Strategic Finance Business Partner (Corporate)

Contact details: nicola.oconnor@surreycc.gov.uk

Sources/background papers:

The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 CIPFA

Annexes/Appendices:

Annex A - Audit Results Report – Surrey County Council

Annex B - Statement of Accounts 2023/24

Annex C - Audit Results Report – Surrey Pension Fund

Annexes D and E - Letters of Representation
