

## **AUDIT & GOVERNANCE COMMITTEE**

**27 NOVEMBER 2024**

### **STATEMENTS OF ACCOUNTS 2022/23 & 2023/24**

**Report by Executive Director of Resources  
and Section 151 Officer**

#### **RECOMMENDATION**

1. The Audit and Governance Committee is **RECOMMENDED** to
  - (a) Consider and approve the Statement of Accounts 2022/23 at Annex 1;
  - (b) Note the Summary Accounts 2022/23 at Annex 2;
  - (c) Agree that no changes are required to the Annual Governance Statement 2022/23, previously approved by the Committee on 29 November 2023;
  - (d) Consider and approve the Letter of Representations 2022/23 for the Oxfordshire County Council accounts at Annex 3;
  - (e) Consider and approve the Letter of Representations 2022/23 for the Oxfordshire Pension Fund accounts at Annex 4;
  - (f) Agree that the Executive Director of Resources and Section 151 Officer, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), can make any further changes to the Statement of Accounts 2022/23 and/or letters of representation that may arise during completion of the audit.
  - (g) Consider and approve the Statement of Accounts 2023/24 at Annex 4;
  - (h) Note the Summary Accounts 2023/24 at Annex 5;
  - (i) Agree that the Executive Director of Resources and Section 151 Officer, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), can make any further changes to the Statement of Accounts 2023/24 and/or letters of representation that may arise during completion of the audit.

#### **Executive Summary**

2. The unaudited Statement of Accounts 2022/23 was published on the Council's website on 23 January 2024 for public inspection. The Statement of Accounts 2022/23 were considered by committee of the Council and, following that consideration, to be approved by resolution of that committee. This report

presents the accounts to the Audit & Governance Committee for consideration and approval, with the disclaimed opinion report from Ernst & Young LLP's.

3. The Accounts and Audit Regulations 2015 require the Director of Finance to publish the unaudited Statement of Accounts 2023/24 and certify that they give a true and fair view of the County Council's financial position and income and expenditure for the year. This was achieved on 28 June 2024 and the unaudited accounts were published on the Council's website for public inspection. The Regulations require the Statement of Accounts 2023/24 to be considered by a committee of the Council and, following that consideration, to be approved by resolution of that committee. This report presents the accounts to the Audit & Governance Committee for consideration and approval, with the findings of the audit available in Ernst & Young LLP's audit results reports.

### **Statement of Accounts 2022/23**

4. The Statement of Accounts 2022/23 is attached at Annex 1. This version includes changes made to the unaudited accounts, as agreed with the auditors during their disclaimed opinion work. However, due to the outcomes of [Consultation into Addressing the local audit backlog in England](#) results the Council's Statement of Accounts 2022/23 will not be fully audited.
5. The accounts have been compiled in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022) (the 'Code'). An introduction to the statement of accounts is included in the Narrative Report by the Executive Director of Resources and Section 151 Officer, together with commentary on the Council's financial position and economy, efficiency and effectiveness in its use of resources over the financial year.
6. The statement of accounts contains the Expenditure and Funding Analysis note, followed by the four primary financial statements: the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement, together with accompanying notes. The statement of accounts also includes the Firefighters Pension Fund Accounts and the Oxfordshire Local Government Pension Fund Accounts.
7. The Annual Governance Statement is included in the statement of accounts document for completeness, as it is required to be published alongside the accounts and narrative report. The Audit & Governance Committee approved the 2022/23 Annual Governance Statement at its meeting on 29 November 2023, there are no issues being highlighted by the auditors that require any additional review of the Statement.
8. There have not been any significant changes to the preparation of the Statement of Accounts for 2022/23.

## **Summary Accounts 2022/23**

9. The Summary Accounts 2022/23 (Annex 2) provide a simplified presentation of the financial position of the Council and its income and expenditure for the year. These have been made available to members of the public alongside the unaudited Statement of Accounts on the Council's website.

## **Auditors Recommendations for 2022/23**

10. During the auditors' disclaimed opinion work, they recommended that the Council analyse the key factors behind the 2022/23 overspend and proactively plan to prevent similar occurrences in future. This recommendation was considered, and actions were implemented to manage and mitigate the overspend during 2022/23. Additionally, the ongoing impacts of inflation and increased demand were addressed through the Budget and Business Planning Process for 2023/24.
11. These actions and mitigations resulted in a revenue underspend of £12.3 million at the end of 2023/24, after accounting for the use of contingency funds and additional interest on cash balances. Consequently, the County Council's General Fund balance as at 31 March 2024 stood at £41.9 million.

## **Letter of Representation for 2022/23**

12. Auditing standards require Ernst & Young LLP to obtain representations from management on certain matters material to their disclaimed audit opinion. Separate letters of representations are required for the Oxfordshire County Council accounts (Annex 3). The Audit & Governance Committee is required to consider and approve the letters of representations before they are signed by the Executive Director of Resources and Section 151 Officer and the Chairman of the Committee.
13. Auditing standards require Ernst & Young LLP to obtain representations from management on certain matters material to their disclaimed audit opinion. Separate letters of representations are required for the Oxfordshire Pension Fund accounts (Annex 4). The Audit & Governance Committee is required to consider and approve the letters of representations before they are signed by the Executive Director of Resources and Section 151 Officer and the Chairman of the Committee.

## **Statement of Accounts 2023/24**

14. The Statement of Accounts 2023/24 is attached at Annex 5. This version includes changes made to the unaudited accounts as agreed with the auditors as set out below and in Annex 6.
15. The accounts have been compiled in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 'Code'). An introduction to the statement of accounts is included in the Narrative Report by the Director of Resources and Section 151 Officer, together with commentary on the Council's financial position and economy, efficiency and effectiveness in its use of resources over the financial year.
16. The statement of accounts contains the Expenditure and Funding Analysis note, followed by the four primary financial statements: the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement, together with accompanying notes. The statement of accounts also includes the Firefighters Pension Fund Accounts and the Oxfordshire Local Government Pension Fund Accounts.
17. The Annual Governance Statement is included in the statement of accounts document for completeness, as it is required to be published alongside the accounts and narrative report. The Audit & Governance Committee approved the 2023/24 Annual Governance Statement at its meeting on 17 July 2024, there are no issues being highlighted by the auditors that require any additional review of the Statement.
18. There have not been any significant changes to the preparation of the Statement of Accounts for 2023/24.

## **Summary Accounts 2023/24**

19. The Summary Accounts 2023/24 (Annex 6) provide a simplified presentation of the financial position of the Council and its income and expenditure for the year. These have been made available to members of the public alongside the unaudited Statement of Accounts on the Council's website.

## **Conclusion**

20. It is expected that the auditors will issue a disclaimed opinion on the 2022/23 Statement of Accounts, while an unqualified opinion is anticipated for the 2023/24 Statement of Accounts. Ernst & Young LLP's audit results report indicates that no amounts have been identified, either individually or in aggregate, as material to the presentation and disclosures of the consolidated financial statements for the year ended 31 March 2024.

LORNA BAXTER

Executive Director of Resources and Section 151 Officer

Annex:	Annex 1	Statement of Accounts 2022/23
	Annex 2	Summary Accounts 2022/23
	Annex 3	Oxfordshire County Council Letter of Representations 2022/23
	Annex 4	Oxfordshire Pension Fund Letter of Representation 2022/23
	Annex 5	Statement of Accounts 2023/24
	Annex 6	Summary Accounts 2023/24

Background papers: Nil

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