
Finance Update – Final Accounts Processes

Governance & Audit Committee

Date of meeting: 24th March 2025

Lead director/officer: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
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- Report version number: 1

1. Summary

1.1. This report identifies proposed improvements to our processes for preparing the statement of accounts for 2024/25, and for subsequent years.

2. Recommended actions/decision

2.1. The Governance & Audit Committee is recommended to note the report.

3. Background and options with supporting evidence

3.1. The statement of accounts for 2023/24 was approved by this Committee in February with an unqualified audit opinion. However, the External Auditor's report (ISA260) highlighted some areas that require improvement.

3.2. The final set of accounts was published on our website with appropriate amendments shortly after the committee meeting.

4. Detailed report

4.1. Whilst it was positive that the Council met the February accounts deadline, areas for improvement were identified by the auditor. These are as follows:

- Valuation processes including:
 - Evidence needed to support valuations
 - Assurance around assumptions made
 - Need for review of assets not valued as part of the rolling programme
 - Assurance that all assets are valued every 5 years
 - Quality control of the process
 - Calculation of capital expenditure not intended to increase the value of assets.
- Correct classification of debtors and creditors.
- Timely recognition of receipt of goods or services.
- Identification of items to be included in the register of members' interests.
- Treatment of grant income, particularly in relation to schools.
- Process for closedown of schools' balances.

4.2. It should be recognised that we are not the only Council experiencing difficulties producing the statement of accounts, and particularly with the valuation of assets. This has been extensively reported nationally, and will require national as well as local improvements to resolve. Notwithstanding this, we will strive to make improvements which ensure the accounts meet the requirements of readers, and

meet accounting standards and audit requirements. We have therefore created an action plan.

Action Plan

4.3. The annual accounts process should be a constantly evolving process, to recognise the constant use of technology, and changing audit and accounting requirements. The plan below details what changes we will make for the 2024/25 accounts, and work we are doing now to improve the process for 2025/26.

4.4. For 2024/25 we are taking the following actions:

- Additional training in the Accountancy team
- Additional workshops to be held with the valuers and accountants.
- Collaborative sessions with the auditors, accountants and valuers to review audit working papers as early as possible.
- Evidence for asset values to be provided to auditors for review early in the process.
- Additional review of working papers to be undertaken by senior finance staff.
- Recruitment of temporary resource to the team, whilst we try and fill several "hard to fill" posts permanently. We have recently recruited a Chief Accountant - a post we had struggled to fill for some time.

4.5. For 2025/26 we are planning to take two additional actions as well as continuous improvements to training:

- To outsource the asset valuation process, recognising the difficulty we have in resourcing this in-house, and the significant demand it places on the internal team.
- To fully resource the corporate accountancy team, which is responsible for most of the work in producing the statement of accounts, ensuring we have an appropriate blend of skills.

4.6. Beyond 2025/26/27, the new version of our financial management system will enable us to produce our accounts in a more efficient manner, and will also improve controls and reporting.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

There are no financial implications arising from this report.

Amy Oliver, Director of Finance, Ext 5667

5.2 Legal implications

There are no direct legal implications arising from this report.

Kevin Carter, Head of Law – Commercial, Property and Planning

12th March 2025

5.3 Equalities implications

There are no direct equalities implications arising from the report.

Equalities Officer, Surinder Singh, March 12 2025 Ext 37 4148

5.4 Climate Emergency implications

There are no climate emergency implications associated with this report.

Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249
13th March 2025

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

N/A

6. Background information and other papers:

- Statutory Statement of Accounts & Annual Governance Statement 2023/24 presented to Governance & Audit Committee on 11 February 2025 with the External Auditors ISA260.

7. Summary of appendices:

N/A

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”? If so, why?

No