

OPEN

Audit & Governance Committee

30 May 2024

Companies Audited Financial Statements, External Audit Findings and Action Plan 2022/2023

Report of: Director of Finance and Customer Services

Report Reference No: AG/14/24-25

Ward(s) Affected: (All Wards)

Purpose of Report

- 1 The purpose of this report is to:
 - present the audited financial statements of Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd for the year 2022/23.
 - provide a summary of findings from the Group of Companies' external audit for 2022/23. It identifies the key issues that have been considered by Grant Thornton before issuing their opinion on the single entity Company financial statements. The individual company Audit Finding Reports are appended to this paper along with a summary in Appendix A.
- 2 The report contributes to the Council's objective of being an open and enabling organisation.

Executive Summary

- 3 The Audit Finding Reports by Grant Thornton, the Group of Companies external auditors summaries the findings of the 2022/23 Audit Report and are appended to the paper.
- 4 The auditors have provided an unqualified opinion on the accounts of both companies.

- 5 The reports identify the key issues that have been considered by Grant Thornton before issuing their opinion on the single entity financial statements for Ansa Environmental Services Limited and Orbitas, Bereavement Services Limited.
- 6 As a result of the audit work any subsequent findings there have been no material changes to the Statements of Accounts for 2022/23 since the Summary Accounts were presented to the Audit & Governance Committee on 8th June 2023 and published in summary form on the Company websites on 31st May 2023. The overall figures in the main financial statements have remained the same.
- 7 The respective Company Boards are responsible for approval and signing of the single entity Financial Statements for 2022/23. The Ansa and Orbitas Boards signed off the Financial Statements on the 27th March 2024 and 22nd December 2023 respectively.
- 8 Following sign off, the signed financial statements were filed and published at Companies House.

RECOMMENDATIONS

The Audit & Governance Committee is recommended to:

1. Note the Audit Findings Reports for each Council owned company for the year ending 31 March 2023.

Background

- 9 The auditors are responsible for giving an opinion on:
 - Whether the accounts give a true and fair view of the financial position of the Company as at 31 March 2023;
 - Whether they have been prepared properly in accordance with the United Kingdom Generally Accepted Accounting Practice; and
 - Whether they have been prepared in accordance with the requirements of the Companies Act 2006.
- 10 The findings in relation to these areas are set out in each appended Audit Findings Reports – See Appendix B and C.
- 11 As the Company's appointed auditors, representatives of Grant Thornton attended the respective Company Board meetings for Orbitas

- on 20th November 2023 and Ansa (Audit Committee) - 13th November 2023 to report their findings directly to the Company Directors. A summary of findings is provided in Appendix A.

- 12 Paragraph 8.3 of each Company Shareholder Agreement stipulates that each Company is required to report its Annual Accounts and Audit report at its AGM to which the Shareholder is invited. Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd have not held an AGM since 2020 when the requirement was waived by the then Director of Place. It is understood that the new Shareholder Agreement includes the reinstatement of this requirement, is yet to be signed off and enacted. Prior to the waiver, the Shareholders (CERF and CEBC) declared a proxy vote at the AGM, which is a process recognised under Company Law and put in place by CEC Legal Services.
- 13 A Cheshire East nominated Shareholder Representative attends the Ansa and Orbitas Board meetings but does not attend the Ansa Audit Committee. The CEC Shareholder Observer attended the Orbitas Board Meeting on 23 November 2023 when Grant Thornton presented their Audit Findings. Tom Shuttleworth (Interim Director Environment and Neighbourhoods) and Paul Goodwin (Head of Finance & Deputy Chief Finance Officer) both attended the Ansa Audit Committee on 13 November 2023 in their capacity as Board Directors.

Consultation and Engagement

- 14 As companies within the Cheshire East Group, in accordance with Regulation 15(2) (b) of the Accounts and Audit Regulations 2015 the accounts were made available for inspection between 1 June 2023 to 12 July 2023.
- 15 The Financial Statements for each company for 2022/23 are available on Companies House:

Ansa: <https://find-and-update.company-information.service.gov.uk/company/08714767/filing-history>

Orbitas: <https://find-and-update.company-information.service.gov.uk/company/08747498/filing-history>

The full Audit Finding Report for each company provided by Grant Thornton is appended to this covering report.

Reasons for Recommendations

- 16 The appointed auditors are required to report to those charged with governance. The Audit Findings Reports present findings, conclusions

and recommendations from audit work undertaken relating to the financial year 2022/23.

Other Options Considered

17 Not applicable.

Implications and Comments

Monitoring Officer/Legal

18 There are no legal implications identified.

Section 151 Officer/Finance

18 As covered in the report.

Policy

19 There are no policy implications identified.

Equality, Diversity and Inclusion

20 There are no equality implications identified.

Human Resources

21 There are no human resources implications identified.

Risk Management

22 The audit has been conducted in accordance with International Standards of Auditing (UK) and means the auditors focus on audit risks that have been assessed as resulting in a higher risk of material misstatement.

Rural Communities

23 There are no direct implications for rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

24 There are no direct implications for children and young people.

Public Health

25 There are no direct implications for public health.

Climate Change

26 There are no direct implications for climate change.

Access to Information	
Contact Officer:	Adele Taylor Interim Director of Finance and Customer Services (Section 151 Officer) adele.taylor@cheshireeast.gov.uk
Appendices:	A – Summary of Audit Control Findings B – The Audit Findings for Ansa Environmental Services Limited C - The Audit Findings for Orbitas Bereavement Services Limited
Background Papers:	The following are links to key background documents: Draft Pre-Audited Financial Statements – Wholly Owned Companies 2022/23 and Outturn update 2022/23