OPEN

Audit and Governance Committee

04 December 2025

Statement of Accounts 2023/24

Report of: Ashley Hughes, Executive Director of Resources (s151 Officer)

Report Reference No: AG/27/25-26

Ward(s) Affected: (All Wards)

Purpose of Report

1 The purpose of this report is to provide an update on the finalisation of the 2023/24 Statement of Accounts (SoA) and provide the finalised 2023/24 Audit Completion Report (Appendix 1) of Ernst & Young LLP (EY). Representatives from EY will update the Committee verbally at the meeting on the 4 December 2025.

2 The report is provided for the Committee's responsibilities in reviewing and approving the annual SoA and considering the external auditors report to those charged with governance on issues arising from the audit of accounts.

Executive Summary

3 The Audit and Governance Committee received a report on the 2023/24 Statement of Accounts on the 24 February 2025 which provided the following (See also Link: Item 59 Agenda for Audit and Governance Committee on Monday, 24th February, 2025, 10.00 am | Cheshire East Council):

- latest set of draft Accounts 2023/24 (as at February 2025),
- an update on the 2023/24 Audit, and
- the 2023/24 Interim Audit Report of EY

4 A further update report was provided to the Committee on 29 September 2025 confirming that EY had concluded their work in relation to four objections from a local elector on the 2023/24 financial statements and that in finalising their work on the SoA, EY had requested that an additional disclosure was included in the final version of the SoA in recognition of the challenging landscape within which Cheshire East Council and other local authorities find themselves. Details of that report are available here: (Item 32: Agenda for Audit and Governance Committee on Monday, 29th September, 2025, 10.30 am | Cheshire East Council.

5 Appendix 1 provides a copy of EY's final Audit Completion Report (ACR) for 2023/24. The ACR concludes as anticipated that the 2023/24 Accounts have received a disclaimed audit opinion, the impact of which is set out in the paper provided to the Audit & Governance Committee in February. Representatives from EY will be present at the meeting to update further on their report, with changes to the previous report highlighted in blue text for ease of reference.

6 Once EY have issued their Final Audit Report and opinion, the SoA for 2023/24 will be signed and published at the earliest opportunity.

7 The previous report to the Committee approved to delegate to the Executive Director of Resources (S151 Officer), Ashley Hughes, to sign off the Statement of Accounts for 2023/24 once the audit has concluded and notify committee Members that the signed Accounts have been published on the website, therefore this report is for noting.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Note the final Audit Completion Report 2023/24 provided by Ernst & Young LLP and the Audit findings contained within.

Background

8 The auditors are responsible for giving an opinion on:

(a) Whether the accounts give a true and fair view of the financial position of the Council and the Group as at 31st March 2024 and of the Council's and the Group's expenditure and income for the years then ended;

(b) Whether they have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority

Accounting in the United Kingdom 2023/24;

(c) Whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

9 The Audit & Governance Committee received a report on the 2023/24 Statement of Accounts on the 24 February 2025 (See Link: at paragraph 3 above).

10 A further update report was provided to the Committee on 29 September 2025 confirming that EY had concluded their work in relation to four objections from a local elector on the 2023/24 financial statements and that in finalising their work on the SoA, EY had requested that an additional disclosure was included in the final version of the SoA in recognition of the challenging landscape within which Cheshire East Council and other local authorities find themselves

11 The Interim Audit Report from EY in February 2025 advised that EY were not in a position to obtain sufficient evidence to be able to conclude that the financial statements of the Council are free from material and pervasive misstatement before the backstop date for the 2023/24 accounts (28/02/2025) and therefore anticipate issuing a disclaimed 2023/24 audit opinion. The report attached at Appendix 1 highs some changes which are not deemed as significant from the report provided in February, however a verbal update will be provided to the Committee on the 4 December 2025.

12 Once EY have issued their final Audit Report and opinion, the SoA for 2023/24 will be signed and published at the earliest opportunity.

Consultation and Engagement

13 In accordance with Regulation 15(2) (b) of the Accounts and Audit Regulations 2015, the draft accounts were made available for public inspection between 18th July 2024 to 29th August 2024.

Reasons for Recommendations

14 The appointed auditors are required to report to those charged with governance. The Audit Completion Report presents the findings, conclusions and recommendations from audit work undertaken relating to the financial year 2023/24.

Other Options Considered

15 None. This report is important to ensure Members of the Committee are sighted on the financial pressure the Council is facing and the

activity to date to try and mitigate this issue, and are given an opportunity to scrutinise this activity and identify any further actions that could be taken to learn to live within our means

Option	Impact	Risk
Do Nothing	The Statement of Accounts are not reviewed by those charged with governance.	Members are not kept up to date in line with their responsibilities regarding reviewing and approving the annual SoA and considering the external auditors report to those charged with governance on issues arising from the audit of accounts.

Implications and Comments

Monitoring Officer/Legal/Governance

16 There are no legal implications.

Section 151 Officer/Finance

17 As covered in the report.

Human Resources

18 There are no human resources implications identified.

Risk Management

19 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.

Impact on other Committees

20 There are no impacts on other Committees.

Policy

21 There are no direct policy implications.

Equality, Diversity and Inclusion

22 There are no direct implications for equality, diversity and inclusion.

Other Implications

23 None.

Consultation

Name of Consultee	**Post held**	**Date sent**	**Date returned**
Statutory Officer (or deputy) :			
Ashley Hughes	S151 Officer	26/11/25	26/11/25
Kevin O'Keefe	Interim Monitoring Officer	26/11/25	26/11/25
Legal and Finance			
Chris Benham	Director of Finance (Deputy S151)	26/11/25	26/11/25
Jennie Summers	Acting Head of Legal Services	26/11/25	To follow.

Access to Information	
Contact Officer:	Ashley Hughes - Executive Director of Resources (S151 Officer)Ashley.hughes@cheshireeast.gov.uk
Appendices:	Appendix A – Going Concern disclosure 2023/24
Background Papers:	Statement of Accounts and Annual Governance Statement 2023-24 External Auditors - Audit of Accounts 2023-24 CIPFA-Bulletin-18-Local-audit-backlog-in-England (2)