

OPEN

## **Audit and Governance Committee**

**31 March 2025**

### **Companies Audited Financial Statements, External Audit Findings and Action Plan 2023/2024**

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**Report of: Adele Taylor, Interim Executive Director of Resources  
(S151)**

**Report Reference No: AG/40/24-25**

**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 2023/24.
  - provide a summary of findings from the Group of Companies' external audit for 2023/24. 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 This report is produced in accordance with the requirements of the Constitution and the committee's terms of reference which state that: The Audit and Governance Committee are to consider reports from the Interim Executive Director of Resources (S151) which enable the Committee to have oversight on external audits of the Cheshire East Group, helping to ensure efficient and effective assurance arrangements are in place. 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, summarise the findings of the 2023/24 Audit 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 and any subsequent findings there have been no material changes to the Statements of Accounts for 2023/24 since the Summary Accounts were presented to the Audit & Governance Committee on 29<sup>th</sup> July 2024 and published in summary form on the Company websites on 18<sup>th</sup> July 2024. The overall figures in the main financial statements have remained the same, other than a minor adjustment on the Orbitas profit from £66k to £64k recognising a small £2k adjustment for depreciation notified to the auditors ahead of the audit.
- 7 The respective Company Boards are responsible for approval and signing of the single entity Financial Statements for 2023/24. The Ansa and Orbitas Boards signed off the Financial Statements on the 28<sup>th</sup> November 2024.
- 8 Following sign off, the signed financial statements were filed and published at Companies House.

### RECOMMENDATIONS

The Audit & Governance Committee is recommended to:

Note the Audit Findings Reports for each Council owned company for the year ending 31 March 2024.

## 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 2024;
  - 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 Ansa and Orbitas on 25 November 2024 to report their findings directly to the Company Directors. A summary of control findings is provided in Appendix A.
- 12 Paragraph 8.3 of current existing 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 been holding AGMs since a decision was taken in December 2020 by the then Director of Place to waive this requirement. Between 2020 and 2023, the Accounts and Audit Reports have been reported to the respective Ansa and Orbitas Audit Committee and then onto the Company Boards. Following governance changes in June 2024, the Accounts and Audit Reports have been reported to the Ansa and Orbitas Boards and as noted in paragraph 12 the external auditors were present.
- 13 A Cheshire East nominated Shareholder Representative attends the Ansa and Orbitas Board meetings. Charles Jarvis (Head of Economic Development) attended both Boards on 25<sup>th</sup> November 2024 in his capacity as a Board Director when Grant Thornton presented their Audit Findings.

## **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 18<sup>th</sup> July 2024 to 29<sup>th</sup> August 2024.
- 15 The Financial Statements for each company for 2023/24 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 2023/24.

## **Other Options Considered**

- 17 Not applicable.

## **Implications and Comments**

### *Monitoring Officer/Legal*

- 18 Paragraph 13 of the report notes that a decision having been taken waive the requirement for Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd back in 2020, neither company has since then been holding AGMs. The decision to waive the requirement to hold AGMs conforms to the law, as it is no longer a requirement for a private company to hold an AGM; and the accounting approval functions that would pertain to an AGM were it to be held is subsumed into board business. The governance process that is reflected in paragraph 13 for the approval of the accounts of each company is therefore compliant and reflects a streamlined approach to a company's statutory administration.

### *Section 151 Officer/Finance*

- 19 As covered in the report.

### *Policy*

- 20 There are no policy implications identified.

### *Equality, Diversity and Inclusion*

- 21 There are no equality implications identified.

### *Human Resources*

- 22 There are no human resources implications identified.

### *Risk Management*

- 23 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*

- 24 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)*

- 25 There are no direct implications for children and young people.

#### *Public Health*

- 26 There are no direct implications for public health.

#### *Climate Change*

- 27 There are no direct implications for climate change.

| <b>Access to Information</b> |   |
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| Appendices:                  | <b>A</b> – Summary of Audit Control Findings<br><br><b>B</b> – The Audit Findings for Ansa Environmental Services Limited<br><br><b>C</b> - The Audit Findings for Orbitas Bereavement Services Limited |
| Background Papers:           | The following are links to key background documents:<br><br><a href="#">Draft Pre-audited Financial Statements – 2023-24</a><br><br><a href="#">Appendix A - Pre-auditedFinancialStatements</a>         |