

London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 6th November 2024

Subject: Statement of Accounts 2023/24, including Pension Fund Accounts and Annual Governance Statement.

Report Author: Christopher Harris – Head of Corporate Accountancy, Systems and Tax

Responsible Director: Sukvinder Kalsi, Executive Director of Finance & Corporate Services

SUMMARY

This report presents the London Borough of Hammersmith & Fulham's 2023/24 Statement of Accounts, including the Pension Fund Accounts and Annual Governance Statement for approval.

RECOMMENDATIONS

1. To approve the 2023/24 Annual Governance Statement which is included in the Statement of Accounts (Appendix 1).
 2. To approve the Statement of Accounts for 2023/24, including the Pension Fund Accounts (Appendix 1).
 3. To note the content of the external auditor's 'Audit Findings Reports' (ISA260), (Main Audit and Pension Fund) including the auditor's findings, recommendations and the Council's response to those recommendations (Appendices 2 and 3).
 4. To approve the 2023/24 management representation letters (Appendices 4 and 5).
 5. To approve the Pension Fund Annual Report 2023/24 (Appendix 6).
 6. To note that the accounts remain 'unaudited' until final sign-off by the external auditor.
 7. To delegate authority to the Chair of the Audit Committee, in consultation with the Executive Director of Finance & Corporate Services to approve any further adjustments to Appendices 1, 2, 3, 4, 5 and 6 which may be required as part of the completion of the audit work.
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Wards Affected: All

H&F Values

Our Values	Summary of how this report aligns to the H&F Values
<ul style="list-style-type: none">Being ruthlessly financially efficient	The Statement of Accounts details the authority's financial activity for the year and forms the cornerstone of fiscal responsibility and control together with the attainment of value for money.

Financial Impact

This report presents the annual accounts for approval and is wholly of a financial nature.

Legal Implications

There are no direct legal implications in relation to this report. The accounts are prepared and audited in accordance with The Accounts and Audit Regulations 2015 (as amended). In accordance with the Accounts and Audit Regulations 2015 (as amended), the Council's audited year end Statement of Accounts and the Annual Governance Statement must be approved by the Audit Committee.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 28th October 2024

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Background Papers Used in Preparing This Report

None

Statement of Accounts 2023/24

1. The 2023/24 Statement of Accounts, for approval by the Audit Committee, is attached at Appendix 1.
2. The Narrative Statement at the beginning of the Statement of Accounts gives an outline of the Council's financial activity during 2023/24.

3. The Council's external auditor for the year is Grant Thornton UK LLP (GT).
4. It should be noted that the accounts remain 'unaudited' until the audit opinion is formally signed and dated by GT and the audit remains open until final certification. The accounts are therefore subject to change until that point. In the event of any further changes, it is requested that these be approved by the Chair of the Committee, in consultation with the Executive Director of Finance & Corporate Services and any significant changes will be notified to Committee.

Report to those charged with governance (ISA260)

5. The external auditor is required to prepare a report to "Those Charged with Governance" (ISA260). This report summarises the findings and recommendations associated with this year's audit in respect of the Financial Statements.
6. These reports are attached (at Appendices 2 and 3) and will also be presented to the Committee by the auditor. The Headlines from the auditor's report are as follows:
 - Following recent, and much publicised, audit backlogs, the auditor notes that work in respect of the 23/24 financial year has broadly been undertaken to schedule allowing the authority to return to a more typical audit timetable.
 - The auditor has not identified any audit adjustments which impact on the Council's General Fund position.
 - Audit work is substantially complete and, subject to finalisation of a few matters and conclusion of audit work, audit are not aware of any issues or matters that would lead to a modified opinion.
 - A number of findings and adjustments have been made with regard to fixed asset accounting and valuations and determination of the pension liability however these adjustments have not impacted on the General Fund (i.e. have not impacted the 'bottom line') and therefore could be considered technical in nature.
 - Relating to these findings, the auditor has made two medium priority recommendations.
7. The auditor also asks the Committee and management for written representations about the financial statements and governance arrangements. To that end, Members are asked to consider and approve the draft letters of representation (Appendices 4 and 5).

Pension Fund

8. The Council's Statement of Accounts incorporates the annual accounts for the Pension Fund and GT's Report to those Charged with Governance (ISA260) includes commentary on the audit of the Pension Fund accounts.
9. The Pension Fund Annual Report is attached at Appendix 6. This report includes reports on the various aspects of the operation of the Pension Fund – investments, administration and funding, as well as the Pension Fund financial statements. The Committee is required to approve the Annual Report, so that it can be published once the audit is complete.
10. The Pension Fund Annual Report remains subject to the finalisation of audit work and approval by the Pension Fund Committee on 26th November 2024.

Reason for decision

11. The Audit Committee is required to approve the Council's audited year-end Statement of Accounts in accordance with the Accounts and Audit Regulations 2015 (as amended).

LIST OF APPENDICES:

Appendix 1 – London Borough of Hammersmith and Fulham Annual Statement of Accounts 2023/24 (including Pension Fund)

Appendix 2 – Grant Thornton UK LLP Audit Findings Report (ISA260) (Main Financial Statements 2023/24)

Appendix 3 – Grant Thornton UK LLP Audit Findings Report (ISA260) (LBHF Pension Fund) 2023/24

Appendix 4 – Draft Letter of Representation 2023/24 – LBHF Main Accounts

Appendix 5 – Draft Letter of Representation 2023/24 – Pension Fund

Appendix 6 – Pension Fund Annual Report 2023/24