

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	17 th February 2026		
TITLE:	Statement of Accounts 2024/2025		
TYPE OF REPORT:	For Approval		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
<p>This report seeks to provide the Committee with the audited Statement of Accounts 2024/25. The Government's next backstop date for audits relating to financial year 2024/25 which legislates that all Councils must publish an audited Statement of Accounts for 2024/2025 by 27th February 2026.</p> <p>The Council's external auditors, Ernst and Young LLP (EY), are expected to issue a disclaimed opinion for the financial statements for 2024/25. Their report is also presented on the agenda for Audit Committee 17th February 2026. The draft Annual Governance Statements for 2024/25 is also presented for Audit Committee alongside the Statement of Accounts on the agenda for the meeting being held on the 17th February 2026.</p>
KEY ISSUES:
<p>EY have focussed on auditing the closing balance sheet and in-year transactions. Noting that the level of assurance gained has increased, however, the extent of diligence work required within the limitations of the backlog timeframes it is not yet possible to achieve reasonable assurance over all in-year movements and closing balances.</p> <p>The attached Statement of Accounts for 2024/2025, has been updated to reflect the "corrected differences" reported in the Audit Results Report. The attached accounts will be further considered by EY and may lead to further adjustment between the Audit Committee meeting of 17th February 2026 and the publication deadline of 27th February 2026. The Committee are therefore asked to agree the recommendation below authority is delegated to the Chair of Audit Committee and the S151 Officer to approve the final statement of accounts for publication to meet the backstop date of 27th February 2026.</p>

OPTIONS CONSIDERED:
<i>Not applicable</i>
RECOMMENDATIONS:
The Audit Committee are requested to delegate authority to the Chair of this committee and the Section 151 Officer to approve the Statement of Accounts for 2024/2025.
REASONS FOR RECOMMENDATIONS:
To comply with the backstop date of 27th February 2026 to have all outstanding audits completed for the financial year 2025/2026.

1. Background

- 1.1. Members of the Audit Committee have been made aware of the delays that exist nationally and locally with external audit. The former Department for Levelling Up, Housing and Communities (DLUHC), now the Ministry of Housing, Communities and Local Government (MHCLG) has worked collaboratively with the Financial Reporting Council (FRC) and other system partners, to develop measures to address the delay in local audit. Proposals were consulted on for local bodies to publish audited accounts for all outstanding years.
- 1.2. On 30 July 2024, the current government announced its intentions to pursue proposals (taking into account responses to the consultation) to address the local audit backlog. In parallel to publishing a response to consultation feedback, they have laid in Parliament regulations as well as, on behalf of the Comptroller and Auditor General and the National Audit Office (NAO), a new Code of Audit Practice. As part of this response, a new backstop date of 27 February 2026 has been established for bodies to publish audited accounts for financial year 2024/2025.

2. Introduction

- 2.1. The Audit Results Report of 6 February agrees a number of amendments to the Council's draft Statement of Accounts. The attached Accounts have been updated to reflect these agreed amendments. Officers undertaking the process to comply with requirements for a disclaimed opinion for the accounts relating to 2024/25. The next step is for EY to review the attached latest draft and ensure that it agrees with the Audit Results Report and any further findings. As a result, further changes may be necessary, before publication.

3. Proposal

- 3.1. With regards to ensuring the sign off of the 2024/2025 accounts, it is recommended that delegated authority is given to the Chair of the Audit Committee and the Section 151 Officer to be able to sign these before the 27 February 2026 deadline. Prior to this sign off, the Audit Completion report will be emailed to all members of this committee for review.

4. Financial Implications

- 4.1. The statement of accounts and the audit therefore seek to provide assurance as to the integrity of the council's financial performance. The External audit work also provides an opinion as to the value for money of the Council's activities, its governance and financial control. The Council received Audit Build-Back grant of £46k in 2024/25. It is designed to assist eligible authorities with the higher cost of audit fees incurred while clearing historic audit backlogs and rebuilding assurance.
- 4.2. The audit fees are explained in the Audit Results Report. The Scale Fee is prescribed to be £170,200. EY shall consider and report their proposed fee following conclusion of the audit. This can be impacted by:
- the Council's ability to meet the agreed timetable for deliverables
 - achievement of an unqualified opinion
 - effective working paper documentation.
 - The effectiveness of the control environment.

5. Legal Implications

- 5.1. The Accounts and Audit (Amendment) Regulation 2024 require that the Council publish audited Statement of Accounts for 2024/2025 by 27th February 2026. This report and recommendation support achievement of and compliance with this requirement.
- 5.2. The Local Audit and Accountability Act 2014 made the Comptroller and Auditor General responsible for the preparation, publication and maintenance of the Code of Audit Practice. The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the Act. As part of this Act, EY have a duty to report to this Committee on the work they have carried out in respect of Borough Council of King's Lynn & West Norfolk to discharge their statutory audit responsibilities and identify any governance issues with the audited body as per the Comptroller and Auditor General's Code of Audit Practice.
- 5.3. The Council are required to meet the requirement of paragraph 26-28 of the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28). The Audit Results Report provides assurance and recommendations in relation to these duties.

6. Risk Implications

- 6.1. The work of the external auditors and subsequent reports seek to identify significant risks within the Council and highlight any areas of significant concern.

7. Options

- 7.1. Other options have been discounted due to time constraints and the backstop date being the 27th February 2026, the Committee meeting has already been delayed from the 19th January 2026 to the 17th February 2026 to allow EY to complete their work. Delegated authority to the Chair of the Committee and the S151 Officer to sign off the Accounts for the stated years is the primary option.

8. Recommendations

- 8.1. That the Audit Committee delegate authority to the Chair of this committee and the Section 151 Officer to approve the Statement of Accounts for 2024/2025.

9. Reasons for Recommendations

- 9.1. The Comptroller and Auditor General's Code of Audit Practice requires the Council's external auditors, Ernst and Young LLP (EY), to report to this Committee on the work they have carried out in respect of Borough Council of King's Lynn & West Norfolk to discharge their statutory audit responsibilities and identify any governance issues with the audited body. In order to do this before the backstop date of 27 February 2026, review and final sign off of the 2024/25 Statement of Accounts and AGS is required.

10. Conclusions/Next Steps

- 10.1. Delegated responsibility is being recommended for final sign off of the Accounts to meet the backstop date.
- 10.3. Following the sign off of the final Statement of Accounts and AGS for the stated years, these will be published on the Council's website.