Report To:	Governance and Audit Committee
Date:	Thursday, 13 November 2025
Subject:	Financial Statements 2024/25
Purpose:	To seek approval of the audited Financial Statements 2024/25 for publication.
Key Decision:	N/A
Portfolio Holder:	Councillor Paul Redgate, Portfolio Holder for Finance
Report Of:	Russell Stone, Director of Finance (S151)
Report Author:	Ellie Stacey, Head of Finance Delivery - Technical and Corporate
Ward(s) Affected:	None
Exempt Report:	No

Summary

The audited Financial Statements 2024/25, including the approved Annual Governance Statement, are required to be approved by the Committee prior to publishing on the Council's website, as per the Accounts and Audit Regulations 2015.

Recommendations

It is recommended that Governance and Audit Committee:

1) Approve the Financial Statements 2024/25 (Appendix 1).

2) Authorise the S151 Officer, in consultation with the chairman of the Committee, to approve any amendments if required, after the Committee date and prior to the official signing of the Financial Statements.

3) Authorise the S151 Officer, in consultation with the chairman of the Committee, to approve the letter of representation on its behalf once received from KPMG.

Reasons for Recommendations

To meet corporate governance best practice and statutory requirements.

Other Options Considered

Not to approve the Financial Statements.

There is a statutory requirement for the Financial Statements to be approved and published by 27 February 2026, or as soon as reasonably practicable after receipt of the auditors' final findings (if later).

1. Background

1.1. The unaudited Financial Statements 2024/25 and Annual Governance Statement were considered by the Governance and Audit Committee on 10 July 2025. At this meeting, the Annual Governance Statement was approved.

1.2. The audited Financial Statements, which include the approved Annual Governance Statement, are presented to Committee for their review and approval.

1.3. The Accounts and Audit (Amendment) Regulations 2024 stipulate the statutory deadline for the publishing of the Financial Statements 2024/25 is 27 February 2026 for all local authorities.

2. Report

2.1 The external audit of the Financial Statements for the year ended 31 March 2025 is now substantially complete, and the Statements are attached at Appendix 1. Elements of the opening balances of Property, Plant and Equipment, and the 2023/24 comparative figures, are still impacted by previous audit disclaimers, and therefore the audit opinion is likely to be modified in relation to this matter. At the time of writing this report there are some areas of outstanding work, which are detailed in the Progress Report from KPMG LLP on this agenda.

2.2 There is one audit difference that has been adjusted.

- A presentational adjustment between income and expenditure of £2.077m has been completed relating to gain or loss on sale of non-current assets, where the accounting entries were not analysed on an asset by asset basis.

2.3 There are three audit differences that remain unadjusted, which are not cumulatively deemed material to the Financial Statements.

- £191k understated Property, Plant and Equipment balance, due to discrepancies in the floor areas used by the valuer.

- £99k understated Property, Plant and Equipment balance, due to a methodological error in the car park valuations.
- A £5k missed accrual was extrapolated through the auditors statistical sampling software to project an additional £328k misstatement.

2.4 A small number of presentational and disclosure adjustments were made to ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

2.5 A number of control deficiencies were identified (7) for which management responses have been provided. Work is already underway on these items to ensure they are implemented by the due dates. Of the 13 control deficiencies identified in 2023/24, 8 of these have been fully implemented, with 5 in progress.

3. Conclusion

3.1. The external audit is now drawing to a conclusion and the Financial Statements are therefore being presented to the Committee for review and approval.

Implications

South and East Lincolnshire Councils Partnership

None.

Corporate Priorities

None.

Staffing

None.

Workforce Capacity Implications

None.

Constitutional and Legal Implications

The Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendments) Regulation 2024 define these arrangements.

Data Protection

None.

Financial

There are no financial implications as a result of this report. The audit of the Financial Statements provide external validation that the stewardship of public funds has been undertaken effectively, and that the statutory reporting requirements laid out in the accounting code of practice have been followed.

The Financial Statements presented in Appendix 1 are currently being subject to a final verification by the external auditors. Minor presentational issues may arise in this process and an approved final version will be submitted to the chair of the Committee for signature.

Risk Management

The Council's risk management arrangements are reflected in the Annual Governance Statement.

The audit process has identified some areas where improvements are necessary, and these will be implemented for the production of future Financial Statements.

Stakeholder / Consultation / Timescales

None.

Reputation

None.

Contracts

None.

Crime and Disorder

None.

Equality and Diversity / Human Rights / Safeguarding

None.

Health and Wellbeing

None.

Climate Change and Environment Impact Assessment

None.

Acronyms

CIPFA – Chartered Institute of Public Finance and Accounting
PSPS Ltd – Public Sector Partnership Services Ltd

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1	Audited Financial Statements 2024/25

Background Papers

Background papers used in the production of this report are listed below:

Document title	Where the document can be viewed
CIPFA Accounting Code of Practice 2024/25 and supporting Guidance Notes	CIPFA public guidance document

Chronological History of this Report

A report on this item has not been previously considered by a Council body.

Report Approval

Report author:	Ellie Stacey, Head of Finance Delivery - Technical and Corporate Ellie.Stacey@pspsl.co.uk
Signed off by:	Russell Stone, Director of Finance (S151) Russell.Stone@sholland.gov.uk