

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

**AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6
AUGUST 2025**



Title of Report		STATEMENT OF ACCOUNTS UPDATE	
Presented by		Paul Stone Director of Resources	
Background Papers		Statement of Accounts 2023/24 Update - Audit and Governance Committee 4 June 2025	Public Report: Yes
Financial Implications		There are no financial implications arising from this report.	
		Signed off by the Section 151 Officer: Yes	
Legal Implications		The Accounts and Audit Regulations 2015, along with their subsequent amendments, set out detailed requirements for the preparation, approval, and publication of financial statements by local authorities and other relevant bodies in England.	
		Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications		There are no staffing or corporate implications arising from this report.	
		Signed off by the Head of Paid Service: Yes	
Purpose of Report		To provide the Committee with an update in respect of the process and timetable for completion of the Statement of Accounts 2023/24 and 2024/25.	
Recommendations		THAT AUDIT AND GOVERNANCE COMMITTEE NOTESTHE UPDATE.	

1.0 BACKGROUND

- 1.1 At its meeting on 4 June 2025, the Committee received a report in respect of the approach to finalising the Statement of Accounts 2023/24. The report highlighted the steps being taken to progress completion of the accounts.
- 1.2 Following this meeting, the Chair of the Audit and Governance Committee corresponded with the Section 151 Officer to request additional clarification regarding the matters raised in paragraph 1.1. A comprehensive response was subsequently circulated to Committee Members via email on 11 July 2025 outlining the ongoing efforts of the appointed project manager overseeing finance systems enhancements,

the continued collaboration with Embridge—the finance system implementation partner—and a considered evaluation of the risks associated with restoring assurance.

2.0 PROGRESS UPDATE

- 2.1 Since the Committee meeting held on 4 June 2025, the Finance Team has continued to demonstrate a high level of diligence and commitment in progressing essential activities associated with the closure of the accounts. Over the intervening period, the team has prioritised and successfully completed a number of key reconciliations, which form the foundation of robust financial reporting. In addition to these reconciliations, several other fundamental preparatory processes have been undertaken to ensure the accuracy and completeness of the financial statements.
- 2.2 To further strengthen these efforts, Mazars has been appointed to undertake reconciliation work in direct support of the Finance Team. Their involvement has been instrumental in ensuring that the required tasks remain on schedule and are completed to a high standard. In addition to contributing to the timely delivery of the accounts, the engagement of Mazars provides an independent layer of support, enhancing both the robustness of the reconciliation process and the overall assurance around the financial statements.
- 2.3 The preparatory work carried out has been thorough and methodical, with an emphasis on ensuring that all underlying records and supporting documentation are up to date and in line with statutory requirements. This meticulous approach has not only strengthened the overall control environment but has also contributed to reducing the risk of errors or omissions in the accounts.
- 2.4 As a direct consequence of these collective efforts, the Finance Team is now in a position to commence the detailed and technical work required to prepare a comprehensive draft version of the Statement of Accounts. This next phase will involve the integration of all reconciled figures, the preparation of associated disclosures, and the undertaking of further quality assurance checks to ensure that the draft Statement of Accounts meets the highest standards of accuracy and compliance.
- 2.5 The following table sets out the anticipated timeline for finalising the Statement of Accounts for 2023/24.

Milestone	Date / Period	Description
Preparation of Statement of Accounts by Finance Team	25 July – 15 August 2025	Finance Team to prepare the draft Statement of Accounts 2023/24, integrating reconciled figures and disclosures.
Quality Checking and Review	15 August 2025 – 30 August 2025	Statement of Accounts reviewed by S151 Officer and Deputy Section 151 Officer for quality assurance and compliance.
Submission to External Auditor	31 August 2025	Draft Statement of Accounts 2023/24 submitted to the external auditor for review.
External Audit Fieldwork	September – October 2025	External auditor undertakes detailed fieldwork and review of the Statement of Accounts.

Statement of Accounts 2024/25

- 2.6 Upon the completion of the Statement of Accounts 2023/24, the finance team will promptly commence work on preparing the Statement of Accounts for 2024/25. A key focus in this next phase will be the initiation of critical reconciliations, ensuring that all financial data is accurately captured and verified at the earliest opportunity. In order to support the timely completion of these reconciliations, the Council will, once again, give due consideration to engaging Mazars, should their involvement be deemed beneficial to maintaining the pace and accuracy required for meeting statutory deadlines.
- 2.7 The Statement of Accounts for 2024/25 will be finalised and submitted to the external auditor, Azets, by the end of November 2025. Azets will then undertake their audit fieldwork and provide their formal opinion ahead of the statutory backstop date of 27 February 2026.
- 2.8 At the Committee meeting on 4 June 2025, Azets presented their Audit Plan 2024/25 which stated that there will be probable disclaimed opinions for both 2023/24 and 2024/25. Their report went on to confirm its approach to building back assurance.
- 2.9 The Director of Resources will provide updates on its Statement of Accounts progress at each Audit and Governance Committee meeting. The Committee's Workplan will be updated accordingly.
- 2.10 By meeting the statutory backstop date of February 2026, the Council will effectively realign itself with the statutory reporting timetable. This achievement will mark a notable milestone in the Council's ongoing commitment to robust financial reporting and sound financial management, reinforcing the principles of transparency and good governance.
- 2.11 Both the 2023/24 and 204/25 Statement of Accounts will be presented to the Audit and Governance Committee in February 2026 when Azets will have provided an opinion on both Statements.

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	The Council has responded to Government consultations in respect of backstop dates and the recent consultation in respect of the Government's Local Audit Strategy.
Risks:	<ul style="list-style-type: none"> - Loss of public trust and confidence in the Council's financial management and governance. - Reduced transparency and accountability to the Council's stakeholders, including taxpayers, service users, creditors, grant providers and regulators. - Increased scrutiny and intervention from external bodies, such as the Department for Levelling Up, Housing and Communities and Local Government, the National Audit Office, the Local Government Association and the Public Sector Audit Appointments. - Potential legal challenges or claims from aggrieved parties who may rely on the accuracy and timeliness of the financial information in the Statement of Accounts. - Additional costs and resources required to resolve the audit issues and complete the audit process.
Officer Contact	Paul Stone Director of Resources paul.stone@nwleicestershire.gov.uk