

Title of Report	STATEMENT OF ACCOUNTS UPDATE	
Presented by	Paul Stone Director of Resources	
Background Papers	<a href="#">Statement of Accounts Update - Audit and Governance Committee 4 June 2025</a>  <a href="#">Statement of Accounts Update - Audit and Governance Committee 12 November 2025</a>	<b>Public Report:</b> Yes
Financial Implications	There are no financial implications arising from this report.	
	<b>Signed off by the Section 151 Officer:</b> 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.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
Staffing and Corporate Implications	There are no staffing or corporate implications arising from this report.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
Purpose of Report	At the request of the Committee, to provide an update in respect of the Council's Statement of Accounts.	
Recommendations	<b>THAT AUDIT AND GOVERNANCE COMMITTEE NOTES THE UPDATE ON THE COUNCIL'S STATEMENT OF ACCOUNTS.</b>	

## 1.0 BACKGROUND

1.1 Reports were considered by Council on 22 February 2024 and 5 November 2024, and Audit and Governance Committee on 5 February 2025, 4 June 2025 and 12 November 2025, which provided details of the Government's proposals for addressing the audit backlog, as well as outlining the Council's position in respect of its Statement of Accounts. Additionally, the Director of Resources provided a verbal update to this Committee on 23 April 2025. At the Audit and Governance Committee meeting on 6 August 2025, Members requested that a regular report is provided by the Director of Resources outlining the Council's progress against meeting its statutory financial reporting requirements.

## **2.0 STATEMENT OF ACCOUNTS PROGRESS**

- 2.1 Since the meeting of the Audit and Governance Committee which took place on 12 November 2025, the Council published its Statement of Accounts 2024/25 on 15 January 2026. This marked the start of a 30-day inspection period. The inspection period for local authority accounts refers to a designated timeframe during which members of the public have the opportunity to review the unaudited accounts and supporting documents of the Council. This period is set by legislation and allows individuals to raise questions or objections with the external auditor regarding the accounts or any related financial matters.
- 2.2 Publishing the Statement of Accounts 2024/25 on 15 January 2026 means that the Council can meet the backstop date for 2024/25 this being the 27 February 2026 and the Council's external auditors, Azets, can provide an opinion on the accounts.
- 2.3 Since the last Audit Committee meeting, the Director of Resources and Deputy S151 Officer have held discussions with Azets regarding the forthcoming process and timeline for re-establishing assurance. This will involve a thorough analysis of various financial ledger transactions, examination of key statements, and targeted attention to principal risk areas from previous financial years. Rebuilding assurance refers to a structured process aimed at re-establishing stakeholder confidence in the accuracy, reliability, and statutory compliance of a Council's financial statements, internal controls, and reporting frameworks.
- 2.4 Azets will report to the Audit and Governance Committee on 26 February 2026 about the rebuilding assurance work, summarising progress so far.
- 2.5 The Committee will receive reports at its meeting on 26 February 2026 with details of the Statement of Accounts 2024/25 and the external audit opinion.
- 2.6 The finance team has been focused on ensuring that the Council publishes its Statement of Accounts for 2024/25, while simultaneously supporting the budget-setting process for the 2026/27 financial year. The team has carefully balanced these tasks to fully meet statutory requirements.
- 2.7 Over the past 14 months, the Council has addressed its backlog of accounts, demonstrating a clear commitment to meeting the Government's requirements. This achievement has been made possible through close collaboration with both Mazars, the previous external auditor, and Azets, the current external auditors.
- 2.8 The overarching intention is to return to a steady state of financial reporting, ensuring the Council consistently meets all statutory reporting requirements. In support of this goal, the Council has reviewed the resourcing within its finance team, with a particular focus on ensuring adequate capacity at year-end. This consideration is reflected in the budget proposals currently under review for the 2026/27 financial year, underlining the Council's commitment to robust financial management and compliance.

<b>Policies and other considerations, as appropriate</b>	
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 recent consultation in respect of the Government's Local Audit Strategy.
Risks:	<ul style="list-style-type: none"> <li>- Loss of public trust and confidence in the Council's financial management and governance.</li> <li>- Reduced transparency and accountability to the Council's stakeholders, including taxpayers, service users, creditors, grant providers and regulators.</li> <li>- Increased scrutiny and intervention from external bodies, such as the Ministry of Housing, Communities and Local Government, the National Audit Office, the Local Government Association and the Public Sector Audit</li> </ul>
Officer Contact	<p>Paul Stone          Director of Resources  <a href="mailto:paul.stone@nwleicestershire.gov.uk">paul.stone@nwleicestershire.gov.uk</a></p>