Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	12th November 2025
Subject:	Closing of Accounts Update 2023/24 and 2024/25
Chief Officer:	Ian O'Donnell – Executive Director Corporate Resources (S151 Officer)
Contact Officer:	Nick Penny – Director of Finance Corporate and Commercial
Ward(s):	All
Exempt:	No
Appendices:	2023/24 published statement of accounts

1. Summary and Recommendations

1.1 This report provides an update on progress to close the 2023/24 and 2024/25 statement of accounts.

Recommendations:

1.2 Audit and Corporate Governance Committee is recommended to:

(a) Consider and note the draft Statement of Accounts for 2023/24 have been published.

(b) Note the progress update on the 2024/25 draft statement of accounts and upcoming audit. The draft statement of accounts will be published once ready and be presented to the Audit and Governance Committee in January 2026.

Commissioner Review

1.3 The backstop date for publishing audited accounts for 2023/24 was February 28, 2025, and for the financial year 2024/25, is February 27, 2026. The Council needs to finalise the preparation and publication of all outstanding draft accounts within the revised deadlines stated. The publication and appropriate resourcing to support the audit process, will provide an opportunity for assurance to be provided on some in-year movements and prior year comparatives, and following the audit the Council's incremental move towards a timely return to normal audit practices.

2. Report

2.1 The Accounts and Audit Regulations 2015 (as amended) set out the requirements for publication of backlog statements of accounts. Officers have continued to work to a very challenging timetable over the period of the last 2 financial years to prepare, publish and finalise four years' accounts (2019/20 to 2022/23). These have all been published on the Council's website.

2.2 This report sets out the progress made on the 2023/24 and 2024/25 statement of accounts, providing an update to the committee on progress since the last report in July 2025.

3. Background

3.1 Officers have been working diligently to prepare and publish five sets of accounts within amended regulations deadline, but as reported to previous meetings of the Committee they have encountered significant problems in preparing the 2021/22, and 2022/23 accounts due to a number of factors, including, poor record keeping, lack of document audit trails, lack of reconciliations, and specific problems relating with accounting and statutory returns.

3.2 Following publication of the final Statement of Accounts for 2022/23 in February 2025, a more detailed review of historic balance sheet items has been conducted following identification of legacy accounting issues, during preparation of the 2023/24 accounts. Work to provide assurance on all Balance Sheet items is an ongoing process, but to provide an independent review EY were commissioned to undertake a short assurance review during July and August 2025. This has led to delays in publication of these accounts while the findings of this review were digested and further internal review to improve the accuracy of the accounts was undertaken.

3.3 The 2018/19 accounts received a disclaimed audit opinion, as the auditors determined that they were unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion of the prepared financial statements. Subsequent accounts to 2022/23 have also received a disclaimed audit opinion, as a consequence of the time constraints of the backstop accounts deadlines, meaning auditors have been unable to obtain sufficient appropriate audit evidence to state, in their opinion, whether the financial statements are properly put together and free from material errors. This is an important distinction from the 2018/19 opinion.

3.4 It should be noted that the 2024/25 accounts will be the first since 2018/19 that will be subject to a more substantial audit, so it is all the more important that additional work has had to be undertaken to provide a greater level of assurance on the 2023/24 closing position (which provide the opening balances for 2024/25).

2023/24 Statement of Account Update

3.5 Following the detailed review work of the balance sheet undertaken internal and externally the 2023/24 draft statement of accounts are now ready to be published. These will be subject to a public inspection period but as stated above, in line with 2022/23 and earlier accounts no detailed audit work will be undertaken by the Council’s auditors.

3.6 Members of the public and other interested parties will have 30 working days to request access to documents relating to the financial statements, subject to restrictions around commercial sensitivity and protection of personal information. During the same period a local elector may also raise questions relating to the accounts with the External Auditor. An extra-ordinary Audit and Corporate Governance Committee may then be convened to facilitate approval of the final accounts.

3.7 As highlighted in the July 2025 update report, the preparation of the 2023/24 accounts identified £14.750m of restatement issues (as per the table below). A formal request for this additional financial support (Capitalisation Directive) has been requested from MHCLG meaning the totality of the financial support requested is £313.397m as at the end of 2023/24. The published accounts assume that MHCLG agree to the additional capitalisation directive so would need to be adjusted were this not to be the case. Regular conversations have been had with MHCLG as part of the Slough's ongoing financial challenge and recovery, so this value and request is not be a surprise to them.

2023/24 Accounts Restatement Issues	**£m**
Adjustment for S31 Covid Grants received in previous years	10.600
Treasury Management Investments repaid in prior years but still reflected on B/S	5.000
Incorrect accruals/ general accounting adjustments	0.680
Backlog Accounts Prior Year balances	6.208
Subtotal	***22.488***
Offset by	
SCF Loan impairment reversal	-2.400
Prior years' (pre-2022) SUR profit share income on B/S, not recognised in CIES.	-2.370
Overstated correction of prior years' incorrect capitalisations	-2.070
Other detailed B/S review items	-0.898
Subtotal	***-7.738***
Total Impact	***14.750***

3.8 The link to the published 2023/24 Statement of Accounts is attached as Appendix 1 to this report.

2024/25 Statement of Account Update

3.9 As highlighted earlier in the report 2024/25 is the first year since 2018/19 which will be subject to a more substantial external audit. The audit was due to begin on the 15th September 2025 but was deferred due to the delay in finalising the 2023/24 statement of accounts and the knock-on effect on finalising the 2024/25 position.

3.10 The closing of accounts team are currently getting the requested information across to the auditors with a view to the audit of the 2024/25 accounts beginning in the middle of November. This will only be possible if the Council has provided the information requested by the auditors to enable them to begin the audit including a trial balance, draft statement of accounts and key notes to the accounts.

3.11 All 2024/25 audit work has to be completed by the 28th February 2026 to enable the auditors to begin 2025/26 audit work (both with Slough and with other clients). As such the audit will need to move at pace to enable the auditors to review as much of the in year transactions as is feasible.

3.12 The challenges faced along the way closing the legacy accounts and the 2023/24 and 2024/25 accounts have been significant, areas of weakness and lessons learned including those from external reviews such as the EY balance sheet review have been considered and either implemented or there is a plan in place to implement for 2025/26 closing. Some improvements are ongoing as part of the Finance Improvement Programme. Work will begin shortly to prepare a closing timetable for 2025/26 which will enable Slough to continue its journey of improvement towards high quality and timely financial statements.

4. Implications of the Recommendation

Financial implications

4.1 The financial implications of the 2023/24 and 2024/25 statement of accounts are set out in the body of the report.

4.2 Delivery of the detailed closure of accounts work has required the setting up of a dedicated finance project team, for which some limited back-filling has been required, with limited external support where specific technical skills are required. The cost of this is £0.196m, this will be financed as part of the budget smoothing reserve drawdown of £1.373m approved by cabinet in September 2025.

4.3 Costs of external audit fees for the years 2019/20 to 2024/25 were factored into the 2025/26 budget.

Legal implications

4.4 Regulation 9A was inserted into the 2015 Regulations to provide that, for the financial years 2015/16 to 2022/23, the deadline to publish the final accounts and statements is 13th December 2024. Deadlines for publication are also provided for the financial years 2023/24 to 2027/28. The published statement of accounts must have been approved by the Category 1 authority in accordance with regulation 9(2) of the 2015 Regulations and include the opinion and any certificate from the local auditor in accordance with section 20(2) of the Act.

4.5 Where a Category 1 authority is unable to comply with the publication deadlines, for instance where the public inspection period has not been completed, meaning the accounts cannot be audited, regulation 9(5) and (6) apply. These state that if the auditor is considering an objection, declaring an item of account unlawful, considering whether to make an application to court or an application has been made and has not been determined (including at appeal) or the auditor is not satisfied that the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, the authority must publish a notice stating that it has not been able to publish its accountability statements and its reasons for this and publish its accountability statements as soon as reasonably practicable. If these matters do not apply, the authority must publish a notice stating it has failed to publish its accountability statements, its reasons for this and that it acknowledges that it must publish its accountability statements as soon as

reasonably practicable. It must also send a copy of this notice to the Secretary of State and publish its accountability statements as soon as reasonably practicable.

Risk management implications

4.6 Failure to publish the Statement of Accounts on time has significant reputational risks for the Council. A dedicated project team was put in place for completion of the 2019/20 to 2023/24, and some of that team has been to provide continuity for completion of the 2024/25 accounts commencing in the new financial year.

4.7 There are inherent financial risks for financial sustainability arising from potential liabilities not recognised without adequate prior year's audited accounts.

Environmental implications

4.8 There are no specific environmental implications of the recommendations.

Equality implications

4.9 There are no specific equalities and inclusion implications of the recommendations.

Procurement implications

4.10 There are no specific procurement implications arising from the recommendation, however any additional external support required for completion of the backlog accounts process will continue to be commissioned in accordance with both the Public Contracts Regulations 2015, or Procurement Act 2023, and the Council's Contract Procedure rules, as amended by Council in September 2024. Any exception to the latter should only be for emergency requirements, following review by officers through the Expenditure Control Board, and will be reported to the following Audit and Governance Committee.

Workforce implications

4.11 What is being managed is a very intensive programme of deliverables. The backlog audit work programme must be undertaken in conjunction with the normal business activities of the Council. A dedicated project team within Corporate Resources has been set up which will require some limited temporary backfilling but will also require support from other key areas across the Council with a risk of additional pressures. Where any additional external resources are engaged it is vital that the appropriate level of internal capacity building is included within the contractual arrangement. From a duty of care perspective, it is essential that adequate resources are identified to fulfil essential requirements.

5. Appendix

Appendix A: 2023/24 Published Statement of Accounts –

draft-statement-of-accounts-2023-24