

Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	11 th March 2026
Subject:	Closing of Accounts debrief 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:	Appendix 1: Grant Thornton Audit work review and sector updates (draft)

1. Summary and Recommendations

1.1 This report provides a debrief on the 2024/25 accounts following the four-week audit work undertaken in January 2026.

Recommendations:

1.2 Audit and Corporate Governance Committee is recommended to:

- a) Note the findings of the Grant Thornton audit work review and Council's response to this.

Commissioner Review

Commissioners have reviewed the report, note the findings of the Grant Thornton audit work and management responses.

In resetting local audits and improving the processes surrounding the Statement of Accounts, the Council must prioritise the implementation of recommendations arising from the commissioned balance sheet reviews 2019/20 to 2023/24, as well as internal and external audits to 2024/25. Appropriately addressing findings from these reviews and audits is critical to continuous and sustained improvement in financial management, maintaining an effective control environment, managing risks and ensuring regulatory compliance in the preparation and publication of future Accounts.

2. Report

2.1 On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits, these regulations required audited financial statements to be published by. Officers have continued to work to a very challenging timetable over the period of the last 2 financial years to prepare, publish and finalise six years' accounts (2019/20 to 2024/25). These have all been published on the Council's website and signed off by the Council's auditors Grant Thornton (GT) with a disclaimed opinion. This means that the appointed auditor has been unable to

obtain sufficient appropriate evidence to provide a basis for an audit opinion of the prepared financial statements.

- 2.2 This report sets out the council's response to the auditor's review of the work completed in the four-week audit period in January which is appended to this report.

3. 2024/25 Statement of Accounts de brief

- 3.1 The Council published the draft statement of accounts for 2024/25 on the 12th December 2025, this was later than planned due to challenges managing the Council's financial position for 2025/26 as well as delays to finalising the 2023/24 statement of accounts.
- 3.2 Despite the delays, GT were able to undertake four weeks of audit work in January 2026 with the final statement of accounts signed off by this committee on 12th February 2026, enabling these accounts to be signed off with a disclaimed opinion by the backstop deadline of 28th February 2026. This marks a significant improvement from previous years when no detailed testing has been completed and marks the next stage in the Council's improvement journey for its statement of accounts.
- 3.3 A report summarising the findings of the audit review is appended to this report (appendix 1). In view of the limited time available it was agreed that this work would focus on agreeing the financial statements to the Council's General ledger, performing a review of the content and disclosures within the financial statements alongside testing of a number of in-year transactions. In addition, where sufficient time was available, it would consider other aspects of the financial statements.
- 3.4 GT's work concluded that the Council's finance team were fully engaged with the programme of work. The key points arising from the work are:
- Despite the limited time available, the council was able to provide some evidence for all the individual transactions sampled. It should be noted that much of this was provided by the central finance team and, to further improve the process, the council should seek greater involvement of service teams to ensure the information provided is complete and suitable for audit.
 - GT identified a number of points to be addressed within the Council's financial statements. It is recommended that, as part of its account's preparation process, the Council complete the CIPFA disclosure checklist to aid in the preparation of a code compliant set of financial statements.
 - It has been some time since a full audit process was completed and there have been significant changes to staff. As such some of the broader controls that have previously been in place do not appear to be operating as effectively as possible, with the audit noting points on payroll reconciliation, agreement to the Fixed Asset Register and the timely clearance of suspense accounts.
- 3.5 The first phase of the audit was to review the financial statements. As part of the review, GT were able to confirm that the draft financial statements reconciled to the Council's accounting records (trial balance on the general ledger). This is the first key step to their audit, and an important control check. As part of the review of the financial statements 122 lines of further review and improvement were identified by GT, of which 28 were deemed significant, 71 less significant and 23 minor and

formatting. The closing team are reviewing these to ensure improvements can be made as part of preparation for the 2025/26 closing process.

- 3.6 The next phase of the audit focussed on sampling in year transactions. Due to the tight time constraints of the audit of the 231 individual samples selected, 114 were passed and cleared, 103 required further work which was not completed in the time available with 14 in other categories. It should be noted that the Council provided evidence for all samples as requested, it was the incompleteness of some of the returns which led to further queries. Further information has been requested from GT to understand which service areas the incomplete samples were in. This will help the closing team understand where further training, support and guidance is required to ensure the quality of evidence supplied in future years is improved.
- 3.7 Other areas reviewed include payroll, the fixed asset register and cash balances. For payroll due to the limited time available there were still outstanding differences which were not cleared as part of the audit process. On the fixed asset register some differences were noted. Both of these are being looked into further by the closing team to ensure that issues are rectified in advance of the 2025/26 closure of accounts and following audit process.
- 3.8 Cash balances have been identified as an area where assurance needed to be rebuilt as GT had found issues during previous audit work. Noted positives were:
- Detailed bank reconciliations had been completed and reviewed shortly after the year end.
 - Reconciling items for individual accounts were appropriately recorded in the ledger.
- 3.9 The net value of transactions in suspense is £3.4m, further work is being undertaken across the finance team to ascertain whether this can be matched against the relevant invoices. We are currently undertaking a review to identify transactions that are suitable for write off or write back where tracing is no longer possible due to insufficient information. Alongside this one-off exercise, we are developing a formal business process to ensure that write off/write back activity takes place routinely (on an annual basis at year end) using agreed criteria such as age and value. Should a customer subsequently contact us to trace a payment, any written back items can be reinstated and allocated accordingly.
- 3.10 GT have made 4 recommendations following the audit work which are detailed on page 10-12 of the audit findings report with management responses provided:
- Recording of Accruals at year end
 - Suspense accounts review
 - Financial statement disclosures
 - Accounts mapping - grant income
- 3.11 The findings of the audit work are being considered with a view to what can be done to improve processes for 2025/26 statement of accounts preparation and audit work. The initial views on this can be found in a separate report to this committee.

4. Implications of the Recommendation

Financial implications

- 4.1 There are no direct financial implications arising from this report. The finance team will be considering the findings of the review when planning the 2025/26 closing process with the aim of addressing issues highlighted.

Legal implications

- 4.2 Regulation 9A was inserted into the 2015 Regulations to provide that, for the financial years 2024/25 the deadline to publish the final accounts and statements is 27 February 2026. 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.
- 4.3 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. The Council did meet the deadline, however the accounts were disclaimed due to insufficient time to complete an effective audit.

Risk management implications

- 4.4 Failure to publish the Statement of Accounts on time has significant reputational risks for the Council. Publishing of the backlog accounts has addressed this, but the next stage is to ensure 2025/26 is published on time and that a full audit can be undertaken.

Environmental implications

- 4.5 There are no specific environmental implications of the recommendations.

Equality implications

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

Procurement implications

- 4.7 There are no specific procurement implications arising from the recommendation.

Workforce implications

- 4.8 The significant improvement work required across the Council must be undertaken in conjunction with the normal business activities of the Council. 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 1: Grant Thornton Audit work review and sector updates.