

Audit and Governance Committee



Date of meeting:	20 January 2026
Title of Report:	Approval of Statement of Accounts 2024/25
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	David Northey (Interim Service Director for Finance)
Author:	Carolyn Haynes
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Your Reference:	SoA 24/25/Audit Jan 2026
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

Audit and Governance Committee formally approved the draft Statement of Accounts for 2024/25 on the 22 July 2025.

The Statement of Accounts for 2024/25 are reaching the completion of their external audit and need to be published on or before the 27 February 2026 which is the statutory 'backstop' deadline.

The revised Statement of Accounts for 2024/25 is attached as Appendix A.

Recommendations and Reasons

1. To **approve** the Statement of Accounts for 2024/25 attached as Appendix A.
2. To delegate authority to the Section 151 Officer in consultation with the Chair of Audit and Governance Committee to sign the Accounts and Letters of Representation on behalf of the Council once the audit opinions are provided, and to approve any final amendments to the Statement of Accounts arising from the closing stages of audit work.
3. To **note** the amendments to the 2024/25 accounts which are anticipated to be finalised before 27 February 2026.
4. To approve the Letter of Representation attached as Appendix B prior to their submission to the Auditor.
5. To approve the 2024/25 Annual Governance Statement (Appendix C), which will be signed by the Leader and the Chief Executive, confirming the governance arrangements that were in place during the year and which will be published alongside the Statement of Accounts.
6. To consider the draft Audit Opinion Report for 2024/25 attached as Appendix D.

Reason: Statutory Requirement, the Accounts and Audit Regulations 2015 require the accounts to be:

- i. *Considered by committee;*
- ii. *Approved by committee resolution;*
- iii. *Signed and dated by the person presiding at the committee.*

Alternative options considered and rejected

- I. None – It is a statutory requirement to produce and approve the Statement of Accounts.

Relevance to the Corporate Plan and/or the Plymouth Plan

The Council's expenditure forms the basis for the delivery of the Corporate Plan.

Implications for the Medium-Term Financial Plan and Resource Implications:

The changes actioned in the 2024/25 accounts will flow into the opening balance sheet position for the 2025/26 Statement of Accounts and, as such, will have implications for the Medium-Term Financial Plan. The level of Working Balance and reserves will affect the level of funding available in future years and variations in service expenditure will also need to be reviewed to assess any impacts.

Financial Risks

The Statement of Accounts includes a high-level summary of the Council's financial risks.

Carbon Footprint (Environmental) Implications:

N/A

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

The main risk associated with the late completion and publication of the statement of accounts for a local authority, particularly those where a disclaimed (no assurance) opinion is the risk of reputational damage. Due to the well-documented national issues with Local Audit there are a significant number of Councils across the country who will also receive a disclaimed opinion. Like Plymouth, the majority of these Councils have had their audit process cut short by the backstop arrangements, through no fault of their own. The accounts attached as Appendix A have been produced in a professional manner and will be signed off as representing a 'true and fair' view by the S151 Officer. Government have asked auditors to be clear about the reasons for disclaimed opinions in their reporting and have committed to ensure that assurance of financial statements will be rebuilt over future reporting cycles.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Statement of Accounts 2024/25							
B	Letter of Representation 2024/25							
C	Annual Governance Statement 2024/25							
D	Draft Audit Opinion Report 2024/25							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7
Auditor's Annual Report for the year ended 31 March 2025							

Sign off:

Fin	OW. 25.26. 109	Leg	LS/0000 3609/52/ LB/12/01 /26	M on Of f	LS/0000 3609/52 /LB/12/0 1/26	HR	N/A	Asset s	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: David Northey											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 07/01/2026											
Cabinet Member approval: Approved verbally by Cllr Lowry Date approved: 07/01/2026											

Final Statement of Accounts 2024/25

1. Introduction

- 1.1 The Statement of Accounts for 2024/25 (see Appendix A) has been prepared in a format to comply with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (The Code) and reflect the 2024/25 revenue and capital outturn position which was reported to Full Council on the 2 June 2025.
- 1.2 The Accounts and Audit (Amendment) Regulations 2024 came into force on 30 September 2024 and provided for statutory 'backstop' arrangements to help clear the backlog of audits and rebuild assurance.
- 1.3 The final published accounts for 2023/24 were published by the backstop date of the 28 February 2025.
- 1.4 Over recent years the Council, like many local authorities, has experienced significant delays with the audit of its accounts. As reported to the committee on the 11 December 2024, the local audit backstop arrangements have been established to set dates by which an authority must publish a final version of its statement of accounts for a particular year, irrespective of the progress that has been made by the auditor. The backstop date for the 2024/25 financial year is 27 February 2026.
- 1.5 In the Grant Thornton audit report for the accounts for 2023/2024, a disclaimer of opinion was issued due to the backstop legislation. Grant Thornton had previously also issued a disclaimer of opinion for the 2021/22 and 2022/23 accounts as they had been unable to obtain sufficient evidence to satisfy themselves that there were no material risks of misstatement. This was also the case for the 2024/25 accounts as they have limited or no assurance over the opening balance position.
- 1.6 On 5 June 2025, the National Audit Office (NAO) published its 'Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06' for auditors which sets out special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions. Its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances and disclosures which warrant special consideration. It provides principles as well as indicative procedures which, with the application of professional judgement, should enable the auditor to make a timely return to determine that the financial statements are free from material misstatement. Grant Thornton will continue to update the Audit and Governance Committee on their progress in regaining assurance on the financial statements.

2. Final Publication of the 2024/25 Accounts

- 2.1 The draft Statement of Accounts 2024/25 were approved by the Service Director for Finance and published by the statutory deadline of 30 June 2025. Following publication and in accordance with the regulations, the accounts and supporting documentation were made available for public inspection from 1 July to 18 September 2025 and the relevant statutory public notice was published on the Council's website. This period was extended due to the late addition of the Annual Governance Statement alongside the Statement of Accounts. There were no objections raised during the inspection period.

- 2.2 The accounts were presented to this committee on the 22 July 2025 and Grant Thornton commenced their audit in September 2025, in line with the audit plan presented to the committee on 16 September 2025.
- 2.3 The Statement of Accounts for 2024/25 are now in the final stage of being audited and amended and the Final Statement of Accounts for 2024/25 (attached as Appendix A) are being presented to the Committee for approval prior to publication on the Council's website. The amended accounts are currently being reviewed by Grant Thornton to ensure that all of the expected adjustments have been accounted for correctly prior to publication.
- 2.4 As at the date this report was written, the audit of the accounts has not been finalised, the Committee is asked to endorse that delegated approval be given to the Chair of Audit and Governance and the Section 151 Officer to sign the Final Statement of Accounts after the Audit and Governance Committee session on 20 January 2026 (if this is not resolved before the session itself). If the audit is complete by 20 January 2026, then the accounts will be able to be signed at the Audit and Governance Committee session.
- 2.5 As has been discussed in previous meetings of the Audit and Governance Committee, receiving a modified or disclaimed audit opinion for 2023/24 has had an impact on the audit opinion for 2024/25. This is because the auditor is not able to rely on audited opening balances in the accounts for 2024/25. The Council is expecting to receive a modified or disclaimed audit opinion for the 2024/25 accounts.

3. Audit Completion Reports

- 3.1 The external auditor's value for money commentary for 2024/25 was presented to this committee on the 18 November 2025 through the Interim Auditor's Annual Report for the year ended 31 March 2025. Two significant weaknesses were identified:
- (i) Financial sustainability
 - (ii) The need to improve economy, efficiency and effectiveness in the Joint Local Area SEND Inspection and Funding following an Ofsted improvement notice.
- 3.2 The Council has taken steps to address the weaknesses identified in 2024/25 through a range of management actions in the current financial year.
- (i) The Medium-Term Financial Strategy (MTFS) 2025/26 -2029/30 was approved by Full Council on the 24 November 2025 and the latest Medium Term Financial Plan (MTFP) will be going to Full Council on the 23 February as part of the budget setting process. This sets out a significantly reduced cumulative budget gap forecast over the next five years.
 - (ii) The Council recognises the need to maintain the alignment and coherence between its transformation programme and the Medium Term Financial Strategy (MTFS) to ensure long-term financial sustainability. The updated and recently published MTFS sets out a clear strategic direction, underpinned by the 'Prevention First' approach and the City Help and Support Programme, which aim to reduce demand on high-cost services and embed early intervention across the organisation.
 - (iii) The Council established a Children's Improvement Board, which is independently chaired, with membership across the partnership. The board oversees the delivery of the SEND Strategy and Delivery Plan. Workstreams are also led by leaders across the partnership and there is strong evidence of impact.

- 3.3 The Audit Findings Report is being presented to Audit and Governance Committee by Grant Thornton elsewhere on this agenda for review. Officers wish to draw the Committee's attention to the Audit Adjustments on pages 43 to 44 of the Audit Findings Report. This highlights the key changes to the accounts between the draft and audited versions.
- 3.4 Upon consideration of the Audit Findings Report, members are asked to delegate authority to the Section 151 Officer in consultation with the Chair of Audit and Governance Committee to sign the letters of representation attached as Appendix B to Grant Thornton LLP for the Council and to sign the accounts.
- 3.5 The draft Audit Opinion Report for 2024/25 is attached as Appendix D. As a result of the limitations imposed by the backstop date, Grant Thornton have been unable to obtain sufficient appropriate audit evidence over the Council's opening balances reported in the financial statements for the year ended 31 March 2025. They have therefore issued a disclaimer of opinion on the financial statements for 2024/25. This enables the Council to comply with the requirement of the backstop regulations to publish the accounts by the 27 February 2026.

4. Annual Governance Statement 2024/25

- 4.1 The approved Annual Governance Statement (AGS) is required to be published alongside the Council's financial statements. The AGS for 2024/25 was submitted for review by this committee on the 22 July 2025 and is now included in the Statement of Accounts. A review of the AGS has determined that no further changes are required.

5. Changes from draft publication of the 2024/25 draft Accounts

- 5.1 The draft accounts for 2024/25 have been adjusted to reflect issues raised in the Grant Thornton Audit Findings Report of the accounts for 2024/25. The main changes are listed below:
- Note 30 Related Parties – amended disclosure to add £1.956m loan to 2024/25 entry.
 - Note 30 Related Parties – Amended receipts for ARCA of £2.364m to match debtor accrual.
 - Note 34.6 Pensions Total Assets (PCC) – amended percentages to match IAS19 report.
 - A few typographical errors identified in the statements.

6. Letter of Representation & Audit Completion

- 6.1 Appendix B is the letter of representation from the Council to the external auditor which sets out certain facts the external auditor has relied upon to complete their reports. These require approval by the Audit and Governance Committee, and delegated approval for the Section 151 Officer and Chair to sign this letter and the updated final version of the accounts to be published (when the audit is concluded) is being sought at this Committee today.
- 6.2 The accounts can be published on the Council's website once Grant Thornton have completed their audit work and issued their audit opinion. This will mark the end of the accounting process for the 2024/25 financial year.