

REDDITCH BOROUGH COUNCIL

Audit, Governance & Standards Committee 23rd July 2026

Report: Statement of Accounts Reports 2023/24 and 2024/25

Relevant Portfolio Holder		Councillor Craig Warhurst Portfolio Holder for Finance and Governance
Portfolio Holder Consulted		Yes
Relevant Assistant Director		Debra Goodall
Report Author: Debra Goodall	Job Title: Assistant Director of Finance and Customer Services Contact email: Debra.goodall@bromsgroveandredditch.gov.uk	
Wards Affected		ALL
Ward Councillor(s) consulted		No
Relevant Council Priority		Underpins all Council priorities
Key Decision NO – Information only		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Audit, Governance and Standards Committee is asked to RESOLVE to:

- 1) Acknowledge the Statement of Accounts for 2023/24 and 2024/25**

2. BACKGROUND

- 2.1 The report covers the Statement of Accounts for financial years, 2023/24 and 2024/25.
- 2.2 The draft Statement of Accounts for 2023/24 were completed in line with the backstop date of 28 February 2025. These accounts have been fully disclaimed by Ernst and Young (EY), the External Auditor.
- 2.3 The draft accounts for 2024/25 were ready for Public Consultation at the end of June 2025 as per existing Government legislation. The Public Consultation end date was Thursday 7 August 2025. The Government backstop date was 27 February 2026. The auditors were unable to complete the audit by this date as they were still working through a number of issues with the Council at that time. These accounts are also fully disclaimed by EY.

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- 2.4 Members will be aware that the Completion Report from (EY) relating to 2023/24 and 2024/25 was presented at the meeting of the Audit, Governance and Standards Committee on 11 June 2026.
- 2.5 The Completion Report from EY identified several significant weaknesses in governance and financial management across the two years, including issues arising from the implementation of the Council's financial system, delays in financial reporting, capacity constraints within the finance function, and compliance issues such as late VAT submissions. A detailed recovery plan, including milestones and reporting arrangements, has been included within the Annual Governance Statement. This is covered within a separate report to this Committee.
- 2.6 The disclaimer opinions for 2023/24 and 2024/25 should be understood in the context of national audit backlogs and statutory backstop arrangements, rather than as an indication of identified material financial misstatement. A disclaimer reflects that the auditor has not been able to obtain sufficient evidence within the statutory timeframe to conclude their opinion, and this position is currently being experienced across a significant proportion of the local government sector.
- 2.7 These circumstances sit within a wider national reset of the local audit system, where backstop deadlines have been introduced to enable recovery of audit assurance over multiple years. As a result, audit opinions for this period should be viewed alongside this broader context, with the expectation that assurance will strengthen over subsequent audit cycles as timetables stabilise.
- 2.8 Members have the opportunity to review the Statement of Accounts in full to inform their consideration of the Council's financial reporting, governance and value for money arrangements.
- 2.9 The production of the accounts for 2023/24 and 2024/25 precedes the appointment of the Council's current Section 151 Officer. The Section 151 Officer has taken assurance from the Deputy Section 151 Officer who was in post during the completion of these accounts and the work carried out by Internal and External Auditors.

3. FINANCIAL IMPLICATIONS

- 3.1. The audit fees for EY are set by PSAA and the total fee will be agreed at the completion of the audit process. The scale fee for core work for 2023/24 is £148,522 and for 2024/25 is £163,302.

4. LEGAL IMPLICATIONS

- 4.1. There are no direct legal implications arising from this report.

5. OTHER - IMPLICATIONS

Local Government Reorganisation

- 5.1. There are no direct implications arising from this report in relation to Local Government Reorganisation or Devolution.

Relevant Council Priority

- 5.2. Financial resilience and good governance underpin the council's ability to meet all of its priorities.

Climate Change Implications

- 5.3. None directly resulting from this report

Equalities and Diversity Implications

- 5.4. No adverse impacts resulting from the content of this report

6. RISK MANAGEMENT

- 6.1. The Council has a corporate risk relating to the resolution of the section 24 notice issued by the predecessor external auditors on 31 October 2022 and 27 November 2023 in relation to
- the flawed implementation of the ERP (financial) system
 - the failure to publish financial statements in line with statutory deadlines.
- 6.2. EY has reviewed the Council's response to those recommendations and concluded that further statutory recommendations are not currently required. This was covered within the Completion Report previously presented to this Committee.

7. APPENDICES and BACKGROUND PAPERS

- 7.1. Appendix 1 – Statement of Accounts 2023/24
Appendix 2 – Statement of Accounts 2024/25