



<b>Report To:</b>	Audit and Governance Committee
<b>Date:</b>	17 <sup>th</sup> November 2025
<b>Subject:</b>	Financial Statements 2024/25
<b>Purpose:</b>	To seek approval of the audited Financial Statements 2024/25 for publication.
<b>Key Decision:</b>	N/A
<b>Portfolio Holder:</b>	Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth
<b>Report Of:</b>	Russell Stone, Director of Finance (S151 Officer)
<b>Report Author:</b>	Ellie Stacey, Head of Finance Delivery - Technical and Corporate (PSPSL)
<b>Ward(s) Affected:</b>	None
<b>Exempt Report:</b>	No

### Summary

The audited Financial Statements 2024/25, which include the approved Annual Governance Statement, are required to be approved by the Committee prior to publishing on the Council's website, as per the Accounts and Audit Regulations 2015.

### Recommendations

It is recommended that Audit and Governance Committee:

- 1) Approve the Financial Statements 2024/25 (Appendix 1);
- 2) Authorise the S151 Officer, in consultation with the chairman of the Committee, to approve any amendments if required, after the Committee date and prior to the official signing of the Financial Statements; and
- 3) Authorise the S151 Officer, in consultation with the chairman of the Committee, to approve the letter of representation on its behalf once received from KPMG.

## **Reasons for Recommendations**

To meet corporate governance best practice and statutory requirements.

## **Other Options Considered**

Not to approve the Financial Statements.

There is a statutory requirement for the Financial Statements to be approved and published by 27 February 2026, or as soon as reasonably practicable after receipt of the auditors final findings (if later).

## **1. Background**

- 1.1. The unaudited Financial Statements 2024/25 and Annual Governance Statement were considered by the Audit and Governance Committee on 7 July 2025. At this meeting, the Annual Governance Statement was approved.
- 1.2. The audited Financial Statements, which include the approved Annual Governance Statement, are presented to Committee for their review and approval.
- 1.3. The Accounts and Audit (Amendment) Regulations 2024 stipulate the statutory deadline for the publishing of the Financial Statements 2024/25 is 27 February 2026 for all local authorities.

## **2. Report**

- 2.1 The external audit of the Financial Statements for the year ended 31 March 2025 is now substantially complete, and the Statements are attached at Appendix 1. At the time of writing this report there are some areas of outstanding work, which are detailed in the report from KPMG LLP on this agenda.
- 2.2 There are two audit differences that have been adjusted.
  - A correction to the inflationary increase applied to one asset valuation, resulting in a £1.249m reduction to Property, Plant and Equipment on the Balance Sheet.
  - A correction to the land value per acre of a second asset valuation, resulting in a further £1.485m reduction to Property, Plant and Equipment on the Balance Sheet.
- 2.3 There are three audit differences that remain unadjusted, which are not cumulatively deemed material to the Financial Statements.
  - £284k understatement of Property, Plant and Equipment on the Balance Sheet, due to 30 June 2025 BCIS figures being used in the relevant asset valuations, as opposed to 31 March 2025 BCIS figures.

- £248k understatement of Property, Plant and Equipment on the Balance Sheet, due to discrepancies in the floor areas used in the valuations.
- £33.5k overstatement of income as the result of an accounting entry to bring grant related monies carried forward from prior years through the Income and Expenditure Statement into reserves.

2.4 A small number of presentational and disclosure adjustments were made to ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

2.5 A number of control deficiencies were identified (4) for which management responses have been provided. Work is already underway on these items to ensure they are implemented by the due dates. Of the 10 control deficiencies identified in 2023/24, 6 of these have been fully implemented, with 4 in progress.

### **3. Conclusion**

3.1. The external audit is now drawing to a conclusion and the Financial Statements are therefore being presented to the Committee for review and approval.

### **Implications**

#### **South and East Lincolnshire Councils Partnership**

None.

#### **Corporate Priorities**

None.

#### **Staffing**

None.

#### **Workforce Capacity Implications**

None.

#### **Constitutional and Legal Implications**

The Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendments) Regulation 2024 define these arrangements.

#### **Data Protection**

None.

#### **Financial**

There are no financial implications as a result of this report. The audit of the Financial Statements provide external validation that the stewardship of public funds has been

undertaken effectively, and that the statutory reporting requirements laid out in the accounting code of practice have been followed.

The Financial Statements presented in Appendix 1 are currently being subject to a final verification by the external auditors. Minor presentational issues may arise in this process and an approved final version will be submitted to the chair of the Committee for signature.

### **Risk Management**

The Council's risk management arrangements are reflected in the Annual Governance Statement.

The audit process has identified some areas where improvements are necessary, and these will be implemented for the production of future Financial Statements.

### **Stakeholder / Consultation / Timescales**

None.

### **Reputation**

None.

### **Contracts**

None.

### **Crime and Disorder**

None.

### **Equality and Diversity / Human Rights / Safeguarding**

None.

### **Health and Wellbeing**

None.

### **Climate Change and Environmental Implications**

None.

### **Acronyms**

CIPFA – Chartered Institute of Public Finance and Accounting  
PSPS Ltd – Public Sector Partnership Services Ltd

## Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1                                      Audited Financial Statements 2024/25

## Background Papers

Background papers used in the production of this report are listed below:

<b>Document title</b>	<b>Where the document can be viewed</b>
CIPFA Accounting Code of Practice 2024/25 and supporting Guidance Notes	CIPFA public guidance document

## Chronological History of this Report

A report on this item has not been previously considered by a Council body.

## Report Approval

Report author:                                      Ellie Stacey, Head of Finance Delivery - Technical and Corporate (PSPSL)  
[ellie.stacey@pspsl.co.uk](mailto:ellie.stacey@pspsl.co.uk)

Signed off by:                                      Russell Stone, Director of Finance (S151 Officer)  
[Russell.Stone@sholland.gov.uk](mailto:Russell.Stone@sholland.gov.uk)

Approved for publication:                      Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth  
[sandeep.ghosh@boston.gov.uk](mailto:sandeep.ghosh@boston.gov.uk)