



Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>AUDIT AND GOVERNANCE COMMITTEE – 27 JANUARY 2026</b>
Subject	<b>2024/25 EXTERNAL AUDIT REPORT AND AUDIT OPINION</b>
Wards affected	None
Accountable member	Cllr Patrick Coleman, Cabinet Member for Finance Email: <a href="mailto:patrick.coleman@cotswold.gov.uk">patrick.coleman@cotswold.gov.uk</a>
Accountable officer	David Stanley, Deputy Chief Executive and S151 Officer Email: <a href="mailto:david.stanley@Cotswold.gov.uk">david.stanley@Cotswold.gov.uk</a>
Report author	Michelle Burge, Chief Accountant and Deputy S151 Officer Email: <a href="mailto:michelle.burge@Cotswold.gov.uk">michelle.burge@Cotswold.gov.uk</a>
Summary/Purpose	To update the Committee on the findings of the financial statement external audit of the 2024/25 financial year.  Bishop Fleming anticipates issuing an unqualified audit opinion with no material adjustments required to the financial statements.
Annexes	Annex A – Audit Completion Report 2024/2025 Annex B – Statement of Accounts 2024/25 Annex C – Letter of Representation 2024/2025
Recommendation(s)	That the Audit and Governance Committee resolves to: <ol style="list-style-type: none"><li>1. Note the Audit Completion Report (<b>Annex A</b>) and revised 2024/25 Statement of Accounts (<b>Annex B</b>).</li><li>2. Delegate authority to the Deputy Chief Executive and S151 Officer, in consultation with the Chair of the Audit and Governance Committee, to approve the 2024/25 Statement of Accounts subject to completion of outstanding audit work.</li><li>3. Recommend that the Chair of the audit and Governance Committee and Deputy Chief Executive and S 151 Officer sign the Letter of Representation (<b>Annex C</b>)</li></ol>



Corporate priorities	<ul style="list-style-type: none"><li>• Delivering Good Services</li></ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Draft accounts were available for public inspection at the Council offices between the 28th July 2025 and 8th September 2025. Draft accounts were also published on the Council website.



## **1. EXECUTIVE SUMMARY**

- 1.1** On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. These regulations required audited financial statements for the year ended 31 March 2025 to be published by the 27 February 2026.
- 1.2** The audit on the Statement of Accounts undertaken by Bishop Fleming is now substantially complete subject to a small number of outstanding items and completion procedures.
- 1.3** Bishop Fleming have produced an 'Audit Completion Report' (Annex A) to share with members of this Committee to inform their approval of the 2024/25 financial statements.

## **2. BACKGROUND**

- 2.1** The Audit and Governance Committee is responsible for formally approving the audited Statement of Accounts on behalf of the Council. The committee considered the draft unaudited Statement of Accounts and Annual Governance Statement on the 14th July 2025.
- 2.2** The 2024/25 draft Statement of Accounts were published on the 18<sup>th</sup> July 2025 and a training session on the draft Statement of Accounts was held for all Committee members on the 16th September 2025.
- 2.3** A national "backstop" deadline now applies to the conclusion of local authority audits following the Accounts and Audit (Amendment) Regulations 2024, which came into force on 30 September 2024. These regulations were introduced by Government to address the significant backlog of delayed local audits and to ensure a clear, mandatory cut-off point for auditors to issue an opinion on each year's accounts. For the 2024/25 financial year, the statutory backstop requires the audited Statement of Accounts to be finalised by 27 February 2026; if the audit is not completed by this date, the auditor must issue a modified or disclaimed opinion, and the authority must publish the accounts accordingly.
- 2.4** Bishop Fleming, the Council's external auditors undertook their audit of the 2024/25 Statement of Accounts between August 2025 and January 2026.
- 2.5** The details of the results of the Value for Money work were reported separately in the Auditor's Annual Report, presented to the committee in December 2026



### **3. ACCOUNTS AUDIT**

- 3.1** The audit is now substantially complete and subject to a small number of outstanding items being resolved, Bishop Fleming anticipate issuing an unqualified audit opinion.
- 3.2** Attached to this report at **Annex A** is the 2024/25 Audit Completion Report for Cotswold District Council. The report details the work undertaken by Bishop Fleming as part of their formal audit of the accounts. It outlines the key findings and matters arising from the statutory audit process.
- 3.3** Bishop Fleming have not identified any material errors or adjustments to the financial statements. No adjustments have been identified that result in an adjustment to the Council's Comprehensive Income and Expenditure Statement or Balance Sheet. A small number of adjustments have been made to improve the presentation of the financial statement as set out in section six of Bishop Fleming's report.
- 3.4** One unadjusted item is listed in section six in relation to the overstatement of the Cotswold District Council's share of the asset value in the Gloucestershire County Council Pension Fund accounts, as reported by KPMG, this item has not been adjusted as management consider it is not material to the financial statements (£81k)
- 3.5** One unadjusted item related to an error identified in the valuation workings for the Trinity Road offices, where the valuer omitted a deduction for voids resulting in an error of £134k. This equates to just 2% of the estimated value of the asset, the valuation has not been adjusted within the financial statement and is not considered material.
- 3.6** One recommendation is included in section seven of the Audit completion report relating to the need to split the disclosure of long- and short-term CIL debtors. Management have agreed with the recommendation and provided a response as set out on page 14.
- 3.7** Once approved, the audited statements will be published on the Council's website and a notice advertised of the full completion of the audit.



#### **4. ANNUAL GOVERNANCE STATEMENT**

**5.** The Annual Governance Statement published with the Statement of Accounts and included in **Annex B** was reviewed and approved by the Audit and Governance Committee on the 14<sup>th</sup> July 2025 in accordance with Regulation 6 of the Accounts and Audit Regulations 2015 (as amended).

#### **6. THE LETTER OF REPRESENTATION**

**6.1** To complete the audit process the Council is required to submit a letter of representation to Bishop Fleming to complement the financial statement and confirm that the financial statements give a 'true and fair view' in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and applicable law.

**6.2** A draft copy of the letter is included in **Annex C** to this report.

**6.3** The Chair of the Audit and Governance Committee and the Deputy Chief Executive and Section 151 Officer are asked to sign the Letter of Representation under recommendation (3) to this report. Bishop Fleming are not able to issue their opinion on the accounts until the letter of representation has been received.

#### **7. ALTERNATIVE OPTIONS**

**7.1** None.

#### **8. FINANCIAL IMPLICATIONS**

**8.1** There are no direct financial implications other than the audit fees set out in section seven of the Audit Completion Report. This identifies additional costs above the scale fee of £151,327 initially agreed for 2024/25 of:

**8.2** £4,982 - additional procedures for the implementation of IFRS16 – leases and applies to all Councils,

**8.3** £7,475 – VFM additional procedures in relation to the procurement significant weakness identified and reported to the December 2025 Audit & Governance Committee.

**8.4** Both variations are subject to agreement by the Public Sector Audit Appointments (PSAA). If agreed both will be funded through the Council's contingency budget.



## **9. LEGAL IMPLICATIONS**

**9.1** it is a statutory requirement for the Council to prepare and publish audited financial statements to comply with the Accounts and Audit Regulations 2015 (as amended). The accounts must be approved by those charged with governance (Audit and Governance Committee) after considering the auditor's findings.

## **10. RISK ASSESSMENT**

**10.1** If the Audit and Governance Committee do not approve the audited Statement of Accounts, the Council will not comply with the Accounts and Audit Regulations 2015.

**10.2** The reporting of the Council's financial position through the Statement of Accounts, and the issue of an audit opinion from the Council's external auditor, supports its financial sustainability in 2025/26 and future years.

## **11. EQUALITIES IMPACT**

**11.1** None

## **12. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

**12.1** None

## **13. BACKGROUND PAPERS**

**13.1** None

(END)