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# **Finance Update – Statement of Accounts**

## **Governance & Audit Committee**

Date of meeting: 16<sup>th</sup> March 2026

Lead director/officer: Amy Oliver, Director of Finance

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## **Useful information**

- Ward(s) affected: All
- Report author: Claire Gavagan
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- Report version number: 1

### **1. Summary**

- 1.1. This report provides an update to the Committee on changes in relation to IFRS 16 and minor amendments that were made to the Annual Accounts for the final publication.
- 1.2. This report also identifies proposed improvements to our processes for preparing the statement of accounts for 2025/26, and for subsequent years.

### **2. Recommended actions/decision**

- 2.1. The Governance & Audit Committee is recommended to note the report.

### **3. Background and options with supporting evidence**

- 3.1. The statement of accounts for 2024/25 were approved by this Committee in February with an unqualified audit opinion. However, the External Auditor's report (ISA260) highlighted some areas that require improvement.
- 3.2. The final accounts were published on our website by the February deadline, incorporating amendments that were made following the last committee meeting.

### **4. Detailed report**

- 4.1. The Council successfully met the February accounts deadline, marking a strong achievement. The final accounts published on the website included agreed amendments in relation to IFRS 16 and other minor amendments.
- 4.2. The minor amendments were largely corrections to disclosure notes and only one amendment impacted the balance sheet. One asset held for sale was overstated by £14m due to International Financial Reporting Standards (IFRS) requiring non-current assets classified as held for sale to be measured at the lower of their carrying value and fair value less costs to sell at initial classification.
- 4.3. Similar to the IFRS 16 amendments, this technical accounting adjustment involved a transfer to unusable reserves and therefore neither had any impact on the monies the Council has available to fund its activities.
- 4.4. At the February meeting, the auditors also identified areas where improvements were needed to the annual accounts processes. It should be recognised that we are not the only Council experiencing difficulties producing the statement of accounts, and particularly with the valuation of assets. This has been extensively reported nationally, which has resulted in HM Treasury carrying out a public sector wide review and changes have been implemented in the Local Authority Accounting Code for 2025/26.

- 4.5. Alongside this we will strive to make improvements which ensure the accounts meet the requirements of readers and meet accounting standards and audit requirements.
- 4.6. The annual accounts process should be a constantly evolving process, to recognise the constant use of technology, and changing audit and accounting requirements. We have therefore already taken actions to improve processes for 2025/26 and beyond.

#### Actions currently being undertaken

- 4.7. The following actions have been implemented or being progressed:
- Bringing in an experienced year-end accountant to support and train the team.
  - Expanded the team to provide additional capacity
  - Additional training in the wider Accountancy team
  - Additional training to be provided by the external auditors
  - Continuing with workshops to be held with the valuers and accountants.
  - Additional review of working papers to be undertaken by senior finance staff.
- 4.8. Beyond 2025/26, the new version of our financial management system will enable us to produce our accounts in a more efficient manner, and will also improve controls and reporting.
- 4.9. A further report will be presented at the June meeting outlining a detailed action plan and progress to date.

## **5. Financial, legal, equalities, climate emergency and other implications**

### 5.1 Financial implications

This report is solely concerned with financial issues.

Claire Gavagan, Assistant Director of Finance  
27 February 2026

### 5.2 Legal implications

There are no direct legal implications arising from this report.

Kevin Carter, Head of Law – Commercial, Property and Planning  
5 March 2026

### 5.3 Equalities implications

There are no direct equalities implications arising from the report.

Surinder Singh, Equalities Officer  
5 March 2026 Ext 37 4148

**5.4 Climate Emergency implications**

There are no climate emergency implications associated with this report.

Phil Ball, Sustainability Officer, Ext 372246  
5<sup>th</sup> March 2026

**5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)**

N/A

**6. Background information and other papers:**

- Statutory Statement of Accounts & Annual Governance Statement 2024/25 presented to Governance & Audit Committee on 17 February 2026 with the External Auditors ISA260.

**7. Summary of appendices:**

N/A

**8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

**9. Is this a “key decision”? If so, why?**

No