
External Audit Progress Report 2025/26

Governance and Audit Committee

Decision to be taken by: N/A

Date of meeting: 16th September 2026

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Ben Matthews
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- Report version number: 1.0

1. Summary

- 1.1. To present an update on the progress of the external audit of the Council's 2025/26 statement of accounts and the Auditor's Value for Money work.

2. Recommendations

- 2.1. The Committee is asked to note the contents of the report and make any comments.
- 2.2. The Committee is asked to consider the:
 - 1.1.1. External Audit Progress Report 2025/26 at Appendix 1.

3. Background

- 4.1. The external audit commenced on 29 June 2026. Any recommendations made will be reported to this committee, along with any alterations required to the draft Statement of Accounts.
- 4.2. Due to the issues being experienced in the local authority audit sector, the usual statutory deadlines have been extended and the final audited accounts are not required to be completed until the 31st January 2027. However, the Council and the auditors have been working proactively together and are aiming to present a final set of accounts by the end of November, although it should be noted that the accounts cannot be completed until the Leicestershire County Council Pension Fund has been audited.

5. External Audit Progress Update 2025/26

- 5.1. Grant Thornton has provided its progress report on the audit of the Council's 2025/26 Statement of Accounts and Value for Money arrangements. The report notes that there are currently no significant issues or risks to the planned audit timetable and identifies improvements in the timeliness and transactional data provided by the Council compared with the previous year. The report also notes that the majority of detailed audit testing, including significant risk areas, will be undertaken during the next phase of the audit.
- 5.2. The Value for Money work is progressing as planned and remains on track for reporting to the Committee later in the year. In addition, the report highlights a number of wider sector issues, including Local Government Reorganisation and ongoing financial pressures across local government.

5.3. The positive position reported by the auditors reflects the actions taken by the Council to strengthen our financial reporting and audit readiness to enable the Council to deliver audited accounts within the planned timetable. This includes permanent recruitment to two key finance posts, ongoing recruitment to vacancies arising from internal progression, agency support in the meantime and investing in staff development by signing up to the Grant Thornton training programme, to support both the Corporate and the wider accountancy team. The Council will continue to work closely with the auditors to support delivery of the audit within the planned timetable.

6. Financial, legal, equalities, climate emergency and other implications

6.1 Financial implications

This report is exclusively concerned with financial issues.

Claire Gavagan, Assistant Director of Finance
3 September 2026

6.2 Legal implications

There are no direct legal implications arising from this report.

Kevin Carter, Head of Law (Commercial, Property and Planning)
3 September 2026

6.3 Equalities implications

There are no direct equalities implications arising out of this report.

Equalities Officer, Surinder Singh, Ext 37 4148
3 September 2026

6.4 Climate Emergency implications

There are no significant climate emergency implications directly associated with this report.

Phil Ball, Sustainability Officer
4 September 2026

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

N/A

7. Background papers:

None.

8. Summary of Appendices:

Appendix 1 – Grant Thornton Leicester City Council 2025/26 Audit Progress and Sector Update.

10. 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

11. Is this a “key decision”? If so, why? No