



Rugby Borough Council

Audit Findings Report
Year ended 31 March 2025

February 2026

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Your key team members

Laura Hinsley
Key Audit Partner
Laura.Hinsley@azets.co.uk

Reshma Ravikumar
Associate Director
Reshma.Ravikumar@azets.co.uk

Mohamed Raqib Ebrahim
In-Charge auditor
Mohamed.Raqib.Ebrahim@azets.co.uk

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Purpose of this report

This report highlights the significant findings arising from the audit. We are responsible for performing the audit in accordance with International Standards on Auditing (UK), and the National Audit Office Code of Audit Practice and associated Auditor Guidance Notes.

Our audit is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Audit and Ethics Committee. Under the Code of Audit Practice, we are also required to consider the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources and to report any significant weaknesses we identify. However, our audit is not designed to test all internal controls or identify all areas of control weakness. As such, our work cannot be relied upon to disclose all errors or other irregularities, or to include all possible improvements in internal control that a more extensive examination might identify.

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements, as a whole, are free from material misstatement, whether caused by fraud or error.



Executive summary

This section summarises, for the benefit of Those Charged with Governance, the status of our audit of Rugby Borough Council for the year ending 31 March 2025 and the key findings and other matters arising from our audit.

Financial Statements

Our audit work is complete. We have identified 6 adjustments to the financial statements which improved your reported financial outturn by £32k. We have also identified 1 unadjusted misstatement totalling £195k and several disclosure amendments. We have raised recommendations for management as a result of our work.

The quality of the accounts and supporting evidence provided has been good. Management have been responsive and helpful in facilitating the audit, which has enabled us to progress most areas within an efficient timescale. However, certain sections of the financial statements have been delayed due to limited capacity within the Council. These include queries with Fixed Assets, Payroll, Collection Fund Debtors and Creditors and the Housing Revenue Account (HRA) reconciliation.

Our audit approach has been based on gaining a thorough understanding of the Council's control environment and has been risk based. This included:

- ▶ An evaluation of the Council's internal control environment, including the IT systems and controls; and
- ▶ Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to our key audit risks.

We have amended our audit plan as formally presented to you on 3 April 2025, in respect of the other risk relating to the implementation of IFRS 16. We previously had both the valuation and completeness assertions as 'medium risk'. However, due to the value being immaterial, we only consider the completeness assertion to be a medium level risk. Further details can be found on page 19.

Management has agreed to amend the accounts for most adjustments identified during the audit. The Audit & Ethics Committee is asked to confirm its agreement to management proposals not to amend the financial statements for the unadjusted misstatements.

We anticipate issuing an unmodified audit opinion. We have also concluded the other information included in the Statement of Accounts is consistent with our knowledge of the Council and the financial statements we have audited.



Under International Standards on Auditing (UK) and the National Audit Office (NAO) Code of Audit Practice 2024, we are required to report whether, in our opinion:

- ▶ The financial statements give a true and fair view of the Council's financial position and income and expenditure for the period; and
- ▶ The Council's financial statements have been properly prepared in accordance with the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the UK (the 'CIPFA Code') 2024/25 and the Local Audit and Accountability Act 2014.

We are also required to report on whether the other information included in the Statement of Accounts (including the Narrative Report and Annual Governance Statement) is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Executive summary

Financial Statements: outstanding matters

At the completion of the audit, following the audit committee, we are required to undertake the following procedures:

- ▶ Final senior reviews and engagement lead 'stand back' review of the file;
- ▶ Receipt and review of the management representation letter;
- ▶ Receipt and review of the final, amended statement of accounts, narrative report and annual governance statement, appropriately signed and dated;
- ▶ Response from management regarding subsequent events up to the date of the opinion; and
- ▶ Submission of our Whole of Government Accounts (WGA) return to the National Audit Office (NAO).



Executive summary

Value for money

We have completed our value for money work. Our detailed findings will be reported in our Auditor's Annual Report.

We have not identified any significant weaknesses in the Council's arrangements and so are satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, under the NAO Code of Audit Practice.

Statutory duties

We have not exercised any of our additional statutory powers and duties.

The Local Audit and Accountability Act 2014 (the Act) requires us to:

- ▶ report to you if we have applied any of the additional powers and duties available to us under the Act; and
- ▶ certify the closure of the audit.

Certificate

We will not be able to certify the closure of the audit until:

- ▶ we have completed any additional work we are requested to undertake as a component auditor for Whole of Government Accounts (WGA), and we receive confirmation from the National Audit Office that the Comptroller and Audit General has certified the WGA for 2024/25.



Quality Indicators

The following metrics are important in assessing the reliability of your financial reporting and response to the audit.

KEY:
RED Significant improvement required
AMBER Developing
GREEN Mature

Metric	Grading	Commentary
Quality and timeliness of draft financial statements	AMBER	<p>The draft financial statements were received from management in a timely manner and of a good quality. However, following their receipt, we were informed that the Collection Fund debtors and creditors balances were still being finalised. Management subsequently opted to consult LG Futures to review their model to ensure accuracy.</p> <p>We have now received this response, and this has led to adjustments being made to the core financial statements, see page 34 for more details.</p>
Quality of working papers provided and adherence to timetable	AMBER	<p>We have seen a marked improvement in the quality and timeliness of working papers and evidence provided in most areas of the audit. However, this continues to be a developing area for the Council, as some responses to queries still lack clarity and often require multiple follow-ups before resolution.</p> <p>Specifically, we have had challenges with the reconciliation of the Fixed Asset Register to the financial statements, where revaluation movements at the individual asset level have been particularly challenging to trace.</p>
Timing and quality of key accounting judgements	GREEN	<p>Valuation of property valuations – we received the valuer’s report and the supporting working papers in a timely manner. We have identified an adjustment in the closing valuation of other land and building. See page 14 for more details.</p> <p>Valuation of net pension liability – our work in this area is complete. Following response received from the Pension Fund Auditor, we have identified one disclosure amendment that was adjusted by management. See page 18 for more details.</p>



Quality Indicators - continued

The following metrics are important in assessing the reliability of your financial reporting and response to the audit.

KEY:

RED

Significant improvement required

AMBER

Developing

GREEN

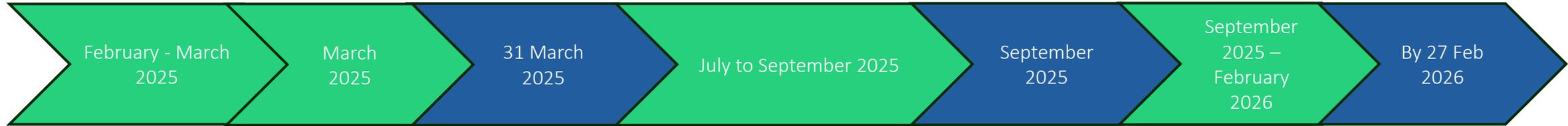
Mature

Metric	Grading	Commentary
Access to finance team and other key personnel	AMBER	Access to Jean Stevenson (Technical Accountant) has been exemplary throughout the audit. We have also observed a notable improvement in the responsiveness of the Council's valuers. However, we have assessed the overall indicator as developing, due to delays encountered in several areas, including fixed assets, payroll, the Housing Revenue Account (HRA), and the Collection Fund. These delays were primarily caused by limited capacity resulting from inexperience, unplanned staff turnover, and periods of leave.
Quality and timeliness of narrative report and annual governance statement	GREEN	The draft Annual Governance Statement and the Narrative Report were received on time, and we have not identified any significant issues that require communication to the Audit and Ethics Committee. However, there have been minor changes to the Narrative Report to ensure consistency with our understanding of the Council.
Volume and magnitude of identified errors	RED	From work performed, we have identified seven adjustments and several disclosure adjustments. The financial statements have been updated for six of these adjustments and one remains unadjusted. This is a relatively high number of audit adjustments, and a prior period adjustment has been included in the financial statements.



Audit Timeline

The following metrics are important in assessing the reliability of your financial reporting and response to the audit.



Planning	Interim	Period end: 31 st March	Final accounts	Audit Committee	Completion	Sign off
<ul style="list-style-type: none"> ▶ Identify changes in your business environment ▶ Determine materiality ▶ Scope the audit ▶ Risk assessment ▶ Planning meetings with management ▶ Planning requirements checklist to management ▶ Issue audit plan 	<ul style="list-style-type: none"> ▶ Document control design and effectiveness ▶ Discuss audit plan with audit committee 		<ul style="list-style-type: none"> ▶ Regular updates with management ▶ Completion of all audit testing ▶ Review of narrative report and annual governance statement ▶ Conclude on significant risk areas ▶ Report observations on other risk areas, management judgements ▶ Draft Audit Findings Report ▶ Close-out meeting with management 	<ul style="list-style-type: none"> ▶ Discuss audit findings with audit committee ▶ Issue Audit Findings (ISA260) Report 	<ul style="list-style-type: none"> ▶ Subsequent events procedures ▶ Management representation letter ▶ Issue Auditor's Annual Report (by 30 November) ▶ Sign financial statements 	<ul style="list-style-type: none"> ▶ Issue delayed audit certificate



Materiality

We are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’. The assessment of what is material is a matter of professional judgement and is affected by our risk assessment and the needs of users of the financial statements.

At the planning stage of the audit, we determined overall materiality as £1,240k for the Council and performance materiality as £740k for the Council, which was based on the 2023/24 gross revenue expenditure of £62,321k. Following the production of the draft financial statements, we reconsidered our materiality determination as communicated in the Audit Plan. Given the increase in gross revenue expenditure to £68,464k for 2024/25, we considered it appropriate to update our materiality accordingly.

We have determined that no specific materiality levels needed to be set for this audit.

	Council £000	Explanation
Overall materiality for the financial statements	1,369	This is approximately 2% of gross revenue expenditure based on the 2024/25 draft financial statements. This is a common measure for calculating materiality for councils as the users of the financial statements are considered to be most interested in where the Council has expended its income during the year.
Performance materiality	821	Performance materiality has been set at 60% of overall materiality. This is based on the internal control environment of the Council and reflects our risk assessed knowledge of the potential for errors occurring. It is intended to reduce, to an acceptably low level, the probability that cumulative undetected and uncorrected misstatements exceed materiality for the financial statements as a whole.
Trivial threshold	68	This is set at 5% of the overall materiality calculation. Individual errors above this threshold are communicated to those charged with governance.

Clearly trivial: matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria;

Material: an omission or misstatement that would reasonably influence the users of the financial statements.



Key audit findings: significant risks

This section includes a summary of audit findings relating to significant risk areas identified at planning and other risk areas that required special consideration or arose during the audit.

Significant risks are defined as risks that require special audit consideration and include risks of material misstatement that are close to the upper range of inherent risk due to their nature and a combination of the likelihood and potential magnitude of misstatement or are required to be treated as significant risks due to requirements of auditing standards.

The table below summarises the significant risks. Detail behind each risk and the work undertaken is set out on the subsequent pages.

Significant risk	Financial Statement / Assertion Level Risk	Fraud risk?	Approach to controls	Risk of material misstatement	Outcome of work
Management override of controls	Financial Statement Level	Yes	Assess design & implementation	Very high	Our work has not identified any significant issues in respect of this risk. However, we have rolled forward a control recommendation from the prior year, see details in Appendix I.
Fraud in revenue recognition	Assertion Level	Rebutted	Process documentation only	Low	Our work has identified changes needing to be made to the collection fund balances.
Fraud in expenditure recognition	Assertion Level	Rebutted	Process documentation only	Low	Our work has not identified any significant issues in respect of this risk.



Key audit findings: significant risks

Significant risk	Financial Statement / Assertion Level Risk	Fraud risk?	Approach to controls	Risk of material misstatement	Outcome of work
Valuation of other land and buildings	Assertion Level	No	Assess design & implementation	High	From work performed, we have identified instances where management had processed revaluation movements incorrectly in the fixed asset register. This has led to a decrease in the value of other land and buildings by £1,927k. See further details on page 34. Our work has not identified any significant issues in respect of this risk.
Valuation of council dwellings	Assertion Level	No	Assess design & implementation	High	From work performed, we have identified instances where management had processed revaluation movements incorrectly in the fixed asset register. This has led to an increase in the value of council dwellings by £172k. See further details on page 34. Our work has not identified any significant issues in respect of this risk.
Valuation of the defined pension fund net liability	Assertion Level	No	Assess design & implementation	Very high	We have identified a disclosure misstatement within the pension notes, see page 18 for further details. Our work has not identified any significant issues in respect of this risk.



Key audit findings: significant risks

Significant risks at the financial statement level

The table below summarises our conclusions on significant risks of material misstatement at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Significant risk	Audit approach	Audit findings and conclusion
<p>Management override of controls Auditing Standards require auditors to treat management override of controls as a significant risk on all audits. This is because management is in a unique position to perpetrate fraud by manipulating accounting records and overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities.</p> <p>Specific areas of potential risk including manual journals, management estimates and judgements and one-off transactions outside the ordinary course of the business.</p> <p>Risk of material misstatement: Very high</p>	<p>We have performed the following procedures to mitigate the risk identified in this area:</p> <ul style="list-style-type: none"> • Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals; • Analysing the journals listing and determining the criteria for selecting high risk and any unusual journals; • Testing high risk and unusual journals posted during the year and after the draft accounts stage back to supporting documentation for appropriateness, corroboration and to ensure approval has been undertaken in line with the Council’s journals policy; • Gaining an understanding of the key accounting estimates and critical judgements made by management. We will also challenge assumptions and consider for reasonableness and indicators of bias which could result in material misstatement due to fraud; and • Evaluating the rationale for any changes in accounting policies, estimate or significant unusual transactions. 	<p>Our audit work has not identified any significant issues in respect of this risk.</p> <p>We have however raised one new green control recommendation in relation to the financial system and re-raised an amber control recommendation from the prior year concerning journals with blank descriptions.</p> <p>Further details can be found in Appendix I.</p>



Key audit findings: significant risks

Significant risks at the assertion level for classes of transaction, account balances and disclosures

The following tables summarise conclusions in relation to significant risks of material misstatement at the assertion level for classes of transaction, account balances and disclosures

Significant risk	Audit approach	Audit findings and conclusion
<p>Fraud in revenue recognition (rebutted) Material misstatement due to fraudulent financial reporting relating to revenue recognition is a rebuttable presumed risk in ISA (UK) 240.</p> <p>Having considered the nature of the revenue streams at the Council, we consider that the risk of fraud in revenue recognition can be rebutted due to:</p> <ul style="list-style-type: none"> there is little opportunity available to manipulate; there is limited incentives to manipulate; the Council's existing transactions do not provide a significant opportunity to manipulate income between years in any meaningful way or to adopt aggressive recognition policies. <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> • Revenue recognition: Low 	<p>Whilst we have rebutted the risk of fraud in income, we have performed the below procedures based on their value within the financial statements:</p> <ul style="list-style-type: none"> • Documenting our understanding of the Council's systems for income to identify significant classes of transactions, account balances and disclosures with a risk of material misstatement in the financial statements; • Evaluating the Council's accounting policies for recognition of income and compliance with the CIPFA Code; and • Substantively testing material income streams using analytical procedures and sample testing of transactions recognised for the year. 	<p>As reported in our Audit Plan, we rebutted the risk of fraud in revenue recognition at the planning stage. Standard audit procedures were carried out on revenue items of account.</p> <p>We have identified amendments amounting to £361k from work performed on the collection fund account. See page 35 for further details.</p> <p>We are satisfied that revenue is materially correct following the adjustment noted above.</p>



Key audit findings: significant risks

Significant risks at the assertion level for classes of transaction, account balances and disclosures

The following tables summarise conclusions in relation to significant risks of material misstatement at the assertion level for classes of transaction, account balances and disclosures

Significant risk	Audit approach	Audit findings and conclusion
<p>Fraud in expenditure recognition (rebutted) We have considered Practice Note 10, which comments that for certain public bodies, the risk of manipulating expenditure could exceed the risk of the manipulation of revenue. We have therefore also considered the risk of fraud in expenditure at the Council, and we are satisfied that this is not a significant risk for the reasons set out below:</p> <p>there is little opportunity available to manipulate; there is limited incentives to manipulate; the Council's existing transactions do not provide a significant opportunity to manipulate income between years in any meaningful way or to adopt aggressive recognition policies.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> Expenditure recognition: Low 	<p>Whilst we have rebutted the risk of fraud in income, we have performed the below procedures based on their value within the financial statements:</p> <ul style="list-style-type: none"> Documenting our understanding of the Council's systems for expenditure to identify significant classes of transactions, account balances and disclosures with a risk of material misstatement in the financial statements; Evaluating the Council's accounting policies for recognition of expenditure and compliance with the CIPFA Code; Substantively testing material expenditure streams using analytical procedures and sample testing of transactions recognised for the year; and Perform substantive testing on expenditure transactions at and around the year end to verify the accounting period transactions relate to and confirm that transactions have been recognised in the correct accounting period. 	<p>As reported in our Audit Plan, we rebutted the risk of fraud in expenditure recognition at the planning stage. Standard audit procedures were carried out on expenditure items of account.</p> <p>Our audit work has not identified any significant issues in respect of our standard audit procedures.</p>



Key audit findings: significant risks

Significant risks	Audit approach
<p>Valuation of other land and buildings (key accounting estimate) Revaluation of other land and buildings should be performed with sufficient regularity so that carrying amounts are not materially misstated.</p> <p>The council carries out a rolling programme of revaluations to ensure all property, plant and equipment required to be measured at fair value is revalued at least every five years. The last full revaluation was in 2024/25 financial year.</p> <p>Management have engaged the services of a qualified valuer, Bruton Knowles, who is a Regulated Member of the Royal Institute of Chartered Surveyors (RICS) to undertake these valuations as of 31 March 2025.</p> <p>The valuations involve a wide range of assumptions and source data and are therefore sensitive to changes in market conditions. ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external expert valuers and the methods, assumptions and source data underlying the fair value estimates.</p> <p>These valuations represents a key accounting estimate made by management within the financial statements due to the size of the values involved, the subjectivity of the measurements and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of other land and buildings as a significant risk.</p> <p>We pinpointed this risk to specific assets, or asset types, which were material or where the in-year valuation movements fell outside of our expectations. We also considered any other factors which in our auditor judgement increases the risk of material misstatement in an asset.</p> <p>Inherent risk of material misstatement: Other land and buildings (valuation): High</p>	<p>We have performed the following procedures to mitigate the risk identified in this area:</p> <ul style="list-style-type: none"> • Evaluating management processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; • Evaluating the competence, capabilities and objectivity of management’s valuation expert; • Considering the basis on which the valuations are carried out and challenging the key assumptions applied; • Evaluating the reasonableness of the valuation movements for assets revalued during the year, with reference to market data. We have not deemed it necessary to use an auditor’s expert; • For unusual or unexpected valuation movements, testing the information used by the valuer to ensure it is complete and consistent with our understanding; • Ensuring revaluations made during the year have been input correctly to the fixed asset register and the accounting treatment within the financial statements is correct; and • Evaluating the assumptions made by management for any assets not revalued during the year and how management are satisfied that these are not materially different to the current value.



Key audit findings: significant risks

Audit findings and conclusion

Valuation of other land and buildings (key accounting estimate)

From the work performed, we identified instances where management had processed revaluation movements incorrectly within the Fixed Asset Register, resulting in a decrease in the value of Other Land and Buildings by £1,926k (see page 34 for further details).

These issues were identified when comparing audit-expected movements to the revaluation movements processed within the Fixed Asset Register, which generated significant material variances.

Resolving these variances required substantial further discussion with management to understand the causes, confirm the correct treatment and ensure the accuracy of the revised entries. The adjustments also had consequential impacts on the Balance Sheet, MIRS and the PPE note, which were revisited once the corrections had been processed.

We have also rolled forward a prior-year deficiency relating to the Fixed Asset Register (see page 52 for further details).

We are satisfied that the land and buildings balance is materially correct following the adjustments noted above.



Key audit findings: significant risks

Significant risks	Audit approach
<p>Valuation of council dwellings (key accounting estimate) Revaluation of council dwellings should be performed with sufficient regularity so that carrying amounts are not materially misstated.</p> <p>The council carries out a rolling programme of revaluations to ensure all council dwellings are valued using the beacon method, which aggregates the vacant possession value of each unit of housing stock based on the value of a beacon or sample property. A discount factor is applied to reflect the lower rent yield from social housing compared to market rates. The last full revaluation was in 2024/25 financial year.</p> <p>Management have engaged the services of a qualified valuer, Bruton Knowles, who is a Regulated Member of the Royal Institute of Chartered Surveyors (RICS) to undertake these valuations as of 31 March 2025.</p> <p>The valuations involve a wide range of assumptions and source data and are therefore sensitive to changes in market conditions. ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external expert valuers and the methods, assumptions and source data underlying the fair value estimates.</p> <p>These valuations represents a key accounting estimate made by management within the financial statements due to the size of the values involved, the subjectivity of the measurements and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of council dwellings as a significant risk.</p> <p>We pinpointed this risk to specific beacons, which were material and where there were changes in valuation from the prior year. We also considered any other factors which in our auditor judgement increases the risk of material misstatement in an asset.</p> <p>Inherent risk of material misstatement: Council dwellings (valuation): High</p>	<p>We have performed the following procedures to mitigate the risk identified in this area:</p> <ul style="list-style-type: none"> • Evaluating management processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; • Evaluating the competence, capabilities and objectivity of management’s valuation expert; • Considering the basis on which the valuations are carried out and challenging the key assumptions applied; • Evaluating the reasonableness of the valuation movements for assets revalued during the year, with reference to market data. We have not deemed it necessary to use an auditor’s expert; • For unusual or unexpected valuation movements, testing the information used by the valuer to ensure it is complete and consistent with our understanding; • Ensuring revaluations made during the year have been input correctly to the fixed asset register and the accounting treatment within the financial statements is correct; and • Evaluating the assumptions made by management for any assets not revalued during the year and how management are satisfied that these are not materially different to the current value.



Key audit findings: significant risks

Audit findings and conclusion

Valuation of council dwellings (key accounting estimate)

From work performed, we have identified instances where management had processed revaluation movements incorrectly in the fixed asset register. This has led to an increase in the value of council dwellings by £172k. See further details on page 34.

These issues were identified when comparing audit-expected movements to the revaluation movements processed within the Fixed Asset Register, which generated significant material variances.

Resolving these variances required substantial further discussion with management to understand the causes, confirm the correct treatment and ensure the accuracy of the revised entries. The adjustments also had consequential impacts on the Balance Sheet, MIRS and the PPE note, which were revisited once the corrections had been processed.

We have also rolled forward a prior-year deficiency relating to the Fixed Asset Register (see page 52 for further details). We are satisfied that the land and buildings balance is materially correct following the adjustments noted above.

We are satisfied that the council dwellings balance is materially correct following the adjustment noted above.



Key audit findings: significant risks

Significant risks	Audit approach	Audit findings and conclusion
<p>Valuation of the defined pension fund net liability (key accounting estimate) An actuarial estimate of the net defined pension liability is calculated on an annual basis under IAS 19 ‘Employee Benefits’, and on a triennial funding basis, by an independent firm of actuaries with specialist knowledge and experience. The triennial estimates are based on the most up to date membership data held by the pension fund and a roll forward approach is used in intervening years, as permitted by the CIPFA Code.</p> <p>The calculations involve a number of key assumptions, such as discount rates and inflation and local factors such as mortality rates and expected pay rises. The estimates are highly sensitive to changes in these assumptions and the calculation of any asset ceiling when determining the value of a pension asset. ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external experts (the actuary) and the methods, assumptions and source data underlying the estimates.</p> <p>This represents a key accounting estimate made by management within the financial statements due to the size of the values involved, the subjectivity of the measurement and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of the net pension liability as a significant risk. This has been noted as very high due to the findings identified in the prior year audit relating to the valuation of the pension liability.</p> <p>Inherent risk of material misstatement: Defined pension fund net liability (valuation): Very high</p> 	<p>We have performed the following procedures to mitigate the risk identified in this area:</p> <ul style="list-style-type: none"> • Evaluating managements processes for the calculation of the estimate, the instructions issued to management’s expert (the actuary) and the scope of their work; • Evaluating the competence, capabilities and objectivity of the actuary; • Assessing the controls in place to ensure that the data provided to the actuary by the Council and their pension fund was accurate and complete; • Evaluating the methods, assumptions and source data used by the actuary in their valuations, with the support of an auditors’ expert; • Evaluating whether any asset ceiling was appropriately considered when determining the value of any pension asset included in the financial statements; • Assessing the impact of any significant differences between the estimated gross asset valuations included in the financial statements and the Council’s share of the investment valuations in the audited pension fund accounts’; and • Ensuring pension valuation movements for the year and related disclosures have been correctly reflected in the financial statements. 	<p>Our audit work has not identified any significant issues in respect of this risk.</p> <p>Following the receipt of the assurance letter from the Pension Fund auditor, we have noted that the estimated benefits payable amount used by the actuary in their report is materially different to the actual benefits payable in year.</p> <p>Management have subsequently updated the pension notes to reflect this increase in benefits payable of £910k, we have had confirmation directly from the actuary there is no impact on the net pension liability recognised in the financial statements. This has no impact on the core financial statements.</p> <p>Azets > Move forward with confidence</p>

Key audit findings: other risks

Other risks - Other identified risks are those which, although not considered to be significant, have been given specific consideration during the audit.

Identified risk	Audit approach	Audit findings and conclusion
<p>Implementation of IFRS 16</p> <p>IFRS 16 was adopted and implemented by local government bodies under the Code of Audit Practice from 1 April 2024. Under IFRS 16 a lessee is required to recognise a right of use asset and associated lease liability in its Balance Sheet. This will result in significant changes to the accounting for leased assets and the associated disclosures within the financial statements for the year ended 31 March 2025.</p> <p>The implementation of this new accounting standard also represents a key accounting estimate made by management within the financial statements due to the size of the values involves, the subjectivity of the measurement upon recognition of the right of use asset and associated lease liability. We have therefore identified the implementation of IFRS 16 as a medium risk.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> Lease liabilities and right of use assets following implementation of IFRS 16 (completeness): Medium 	<p>Following receipt of the draft accounts, we have reassessed the risk in this area and now consider it to be one of completeness, given that the balance within the financial statements is not material. As a result, we have revised our proposed approach from that outlined in the Audit Plan.</p> <p>To address the identified risk, we have performed the following procedures:</p> <ul style="list-style-type: none"> Perform a walkthrough of the council’s systems and processes to capture the data required to account for right of use lease assets and associated liability in accordance with IFRS 16; Review the council’s accounting policies for the year ended 31 March 2025 to reflect the requirements of the new accounting standard; Assess the completeness of the right of use assets and associated lease liabilities, and the related disclosures within the financial statements; Assess the Council’s processes for identifying leases and determining whether they are in scope for IFRS 16; Evaluate whether Right of Use assets and lease liabilities have been appropriately remeasured in line with the requirements of IFRS 16 as set out in the CIPFA Code. 	<p>Our work in this area is complete, and our audit work has not identified any significant issues in respect of this risk.</p>



Key audit findings: other areas of focus

Area of focus	Issue	Audit findings and conclusion
Significant matters on which there was disagreement with management	There were no significant matters on which there was disagreement with management.	No issues to report.
Significant management judgements which required additional audit work and / or where there was disagreement over the judgement and / or where the judgement is significant enough that we are required to report it to those charged with governance before they consider their approval of the accounts	<p>We were required to perform additional audit work in the following areas:</p> <ol style="list-style-type: none"> 1. PPE valuation – In reconciling the Fixed Asset Register to the PPE note and other areas of the accounts, we identified a number of errors which required further audit review and follow-up. 2. Cash flow statement – Changes made to the cash flow statement in the draft accounts, including prior period adjustments, required us to perform additional testing to obtain assurance over the revised balances. 	Our work led to adjustments to the core statements and the associated notes. See 'Audit Adjustments' section for further details.
<p>Concerns identified in the following:</p> <ul style="list-style-type: none"> • Consultation by management with other accountants on accounting or auditing matters • Matters significant to the oversight of the financial reporting process • Adjustments / transactions identified as having been made to meet an agreed system position / target 	No such concerns identified.	No issues to report.



Key audit findings: other areas of focus

Area of focus	Issue	Audit findings and conclusion
<p>Prior year adjustments identified</p>	<p>Within the draft accounts, management have processed three prior period adjustments in relation to the following:</p> <ol style="list-style-type: none"> 1. A split of the Grants Received in Advance balance within the Balance Sheet at 31 March 2024; 2. The Cash Flow Statement, where a revised process for compiling the statement has identified several prior-year misclassifications between lines within the statement; and 3. Capital commitments disclosure within Note 34. <p>As one of these PPAs affects the Balance Sheet, management is required, in accordance with IAS 1, to include a third Balance Sheet to show the impact on the opening position for the 2023/24 financial year. Management have now added this to the final set of accounts.</p> <p>For the two PPAs that affect the core financial statements, management have also included a Prior Period Adjustment note with disclosures that comply with IAS 8 requirements.</p> <p>Management have also made two further changes to the prior-year presentation of the accounts following their decision to reclassify categories within the Debtors and Creditors notes. These changes do not meet the definition of prior period errors under IAS 8; however, as they represent notable changes from the prior-year audited accounts, we have proposed that management include narrative below these notes to explain the rationale and the values involved.</p>	<p>No issues identified following the restatement of the core financial statements, corresponding notes to the financial statements and the prior period adjustments note.</p>



Accounting policies, key judgements and estimates

Accounting policies

We have evaluated the appropriateness of the Council’s accounting policies, taking into account consistency with the disclosures from the prior year and requirements as set out in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the UK (the ‘CIPFA Code’) 2024/25 where appropriate. We have no matters to report.

Key judgements and estimates

Key judgements and estimates, as well as other judgements and estimates made by management, are set out in the table below along with audit commentary on these judgements and estimates in line with the enhanced requirements for auditors.

Significant judgement or estimate	Value in accounts £000	Summary of management’s approach	Audit comments and assessment
<p>Valuation of other land and buildings valuations (key accounting estimate)</p> 	<p>43,329</p>	<p>The other land and buildings revalued include specialised buildings and land valued on a Depreciated Replacement Cost (DRC) basis and Existing Use in Value (EUV) basis. Assets valued under the DRC method make up 84% of the operational land and buildings balance as of 31 March 2025. Meanwhile, 15% are valued on an Existing Value in Use (EUV) basis.</p> <p>The Council has engaged an external valuer, Bruton Knowles, to value the asset portfolio on a full valuation basis. This is the second year of the engagement.</p> <p>This has led to an overall net increase of £883k from the 31 March 2024 asset value (£42,446k). This increase includes movements other than revaluations, such as additions, derecognition of asset components and depreciation.</p>	<p>From work performed, we have identified instances where management had processed revaluation movements incorrectly in the fixed asset register. This has led to a decrease in the value of other land and buildings by £1,926k. See further details on page 34.</p> <p>We are satisfied that the land and buildings balance is materially correct following the adjustment noted above.</p> <p style="text-align: right;">Azets > Move forward with confidence</p>

Accounting policies, key judgements and estimates

Significant judgement or estimate	Value in accounts £000	Summary of management's approach	Audit comments and assessment
Valuation of council dwellings (key accounting estimate)	201,712	<p>The Council owns 3,458 dwellings and is required to revalue these properties in accordance with DCLG's Stock Valuation for Resource Accounting guidance. The guidance requires the use of beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties. The Council has engaged its valuer, Bruton Knowles, to complete the valuation of these properties.</p> <p>The year end valuation of Council Housing was £201,712k, a net decrease of £4,951k from 2023/24 (£206,663k).</p>	<p>From work performed, we have identified instances where management had processed revaluation movements incorrectly in the fixed asset register. This has led to an increase in the value of council dwellings by £172k. See further details on page 34.</p> <p>We are satisfied that the council dwellings balance is materially correct following the adjustment noted above.</p>



Accounting policies, key judgements and estimates

Significant judgement or estimate	Value in accounts £000	Summary of management's approach	Audit comments and assessment																						
Valuation of the defined pension fund net liability (key accounting estimate)	4,843	<p>The Council's total net pension liability is held with the Warwickshire Pension Fund. The Pension Fund use Hymans Robertson, an external actuary, to provide the valuation of the Council's share of the Pension Fund's assets and liabilities. A full valuation is required every three years. Following receipt of the actuary's report, which showed a net asset position, management considered the requirements of IFRIC 14 and concluded with a net liability in the financial statements.</p> <p>The year end valuation of net pension liability was £4,843k, a net decrease of £660k from 2023/24 (£5,503k).</p>	<p>We have undertaken the following in the course of our testing:</p> <ul style="list-style-type: none"> Assessed the competence, capability and independence of management's expert actuary; Assessed the actuarial approach taken to confirm reasonableness of approach; Reviewed completeness and accuracy of the underlying information used to determine the estimate; Reviewed the reasonableness of the Council's share of local pension scheme assets; Reviewed the adequacy of the disclosure in the financial statements; Reviewed the reasonableness and accuracy of the IFRIC14 assessment prepared by the actuary and the impact on the asset ceiling; and Used our auditor's expert (PwC) to assess assumptions made by the actuary. <table border="1" data-bbox="1174 733 2415 1300"> <thead> <tr> <th>Assumption</th> <th>Actuary value</th> <th>PwC range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>5.80%</td> <td>5.80% – 5.85%</td> <td>Within range</td> </tr> <tr> <td>Pension increase rate</td> <td>2.75%</td> <td>2.70% – 2.80%</td> <td>Within range</td> </tr> <tr> <td>Salary growth</td> <td>3.75%</td> <td>2.75% – 3.75%</td> <td>Within range</td> </tr> <tr> <td>Life expectancy: males currently 45-65</td> <td>Pensioners – 21.1 years Future pensioners – 21.5 years</td> <td rowspan="2">Hymans have adjusted mortality tables to show individual employer level life expectancies</td> <td rowspan="2">Within range</td> </tr> <tr> <td>Life expectancy: females currently 45-65</td> <td>Pensioners – 23.9 years Future pensioners – 25.7 years</td> </tr> </tbody> </table>	Assumption	Actuary value	PwC range	Assessment	Discount rate	5.80%	5.80% – 5.85%	Within range	Pension increase rate	2.75%	2.70% – 2.80%	Within range	Salary growth	3.75%	2.75% – 3.75%	Within range	Life expectancy: males currently 45-65	Pensioners – 21.1 years Future pensioners – 21.5 years	Hymans have adjusted mortality tables to show individual employer level life expectancies	Within range	Life expectancy: females currently 45-65	Pensioners – 23.9 years Future pensioners – 25.7 years
Assumption	Actuary value	PwC range	Assessment																						
Discount rate	5.80%	5.80% – 5.85%	Within range																						
Pension increase rate	2.75%	2.70% – 2.80%	Within range																						
Salary growth	3.75%	2.75% – 3.75%	Within range																						
Life expectancy: males currently 45-65	Pensioners – 21.1 years Future pensioners – 21.5 years	Hymans have adjusted mortality tables to show individual employer level life expectancies	Within range																						
Life expectancy: females currently 45-65	Pensioners – 23.9 years Future pensioners – 25.7 years																								



Accounting policies, key judgements and estimates

Audit comments and assessment continued..

The Council's approach is appropriate. Following the receipt of the assurance letter from the Pension Fund auditor, we have noted that the estimated benefits payable amount used by the actuary in their report is materially different to the actual benefits payable in year.

Management have subsequently updated the pension notes to reflect this increase in benefits payable of £910k, we have had confirmation directly from the actuary there is no impact on the net pension liability recognised in the financial statements.



Accounting policies, key judgements and estimates

Other judgement or estimate	Value in accounts £000	Summary of management's approach	Audit comments and assessment
Minimum revenue provision	1,229	<p>The Council is responsible on an annual basis for determining the amount charged for the repayment of debt. This is known as the Minimum Revenue Provision (MRP). The basis for the charge is set out in regulations and statutory guidance.</p> <p>The year end MRP charge was £1,229k, a net decrease of £68k from 2023/24 (£1,297k).</p> <p>Following consultation MHCLG have clarified and updated the regulations and the statutory guidance for minimum revenue provision. Although these take full effect from April 2025, the consultation highlighted that the intention was not to change policy, but to clearly set out in legislation the practices that authorities should already be following.</p> <p>This guidance clarifies that capital receipts may not be used in place of a prudent MRP, that MRP should be applied to all unfinanced capital expenditure and that certain assets should not be omitted from the calculation unless exempted by statute.</p>	<p>We have carried out the following work:</p> <ul style="list-style-type: none"> • Considered whether the Council's policy on MRP complies with statutory guidance; • Assessed the reasonableness of any changes to the Council's MRP policy from the prior year; • Assess and benchmark the Council's MRP charge as a percentage of the opening capital financing requirement. A charge higher than 2% is considered a sufficiently prudent estimate; and • Assess and benchmark the Council's total debt as a percentage of the capital financing requirement. A percentage lower than 100% is considered sufficiently prudent. <p>Our work in this area is complete. We have not identified any matters to report to Those Charged With Governance.</p>



Accounting policies, key judgements and estimates

Other judgement or estimate	Value in accounts £000	Summary of management's approach	Audit comments and assessment
<p>Non-domestic rate provisions</p> <p>(Part of total provisions of £5,164k)</p>	<p>4,605</p>	<p>Non-domestic rate provisions are made for possible refunds from a business rate appeals and can vary depending on factors such as; the type of appeal and type of property, together with its geographical location and the probability of appeal success.</p> <p>Estimates have been made for the provision for refunding ratepayers who may successfully appeal against the rateable value of their properties. This includes the current and previous financial years. The estimate is based on those ratepayers who have appealed.</p> <p>The year end Non-domestic provision charge was £4,605k, a net decrease of £1,974k from 2023/24 (£6,579k).</p> <p>Other provisions except for the non-domestic rate provision are below materiality.</p>	<p>We have performed work to document our understanding of the provision, ensure compliance with IAS 37, ensured compliance with the CIPFA code and tested the accuracy and completeness of the provisions.</p> <p>From work performed, we have identified a £265k of reclassification between short term and long-term provisions. See page 35 for further details.</p>



Accounting policies, key judgements and estimates

Other judgement or estimate	Value in accounts £000	Summary of management's approach	Audit comments and assessment
Depreciation	6,673	<p>Depreciation is charged on a straight-line basis over the useful lives of Property, Plant, and Equipment assets, except for those without a determinable life (e.g., freehold land and community assets) or not yet in use (e.g., assets under construction).</p> <p>Asset categories are depreciated over specific ranges: buildings (5–60 years), vehicles and equipment (3–25 years), and infrastructure (7–40 years). Council dwellings are also depreciated in the year of disposal.</p>	<p>We performed a predictive analytical review of the depreciation balance, considering changes in useful lives and other in-year movements. Where variances exceeded the expected threshold, we discussed and investigated them with management.</p> <p>We have not identified any issues that require reporting to Those Charged with Governance.</p>
Bad debt provision	2,242	<p>The bad debt provision is determined using an ageing analysis of receivables, where debtor balances are grouped by age to assess their likelihood of recovery. Older debts are considered less recoverable and are therefore provided for at higher rates. This approach reflects expected credit losses based on historical collection patterns, current economic conditions, and specific risks. The provision is reviewed and updated regularly to ensure it remains appropriate and reflects any changes in debtor behaviour or assumptions.</p>	<p>We have re-performed the bad debt provision calculation using the debtor population that has already been substantively tested, ensuring the accuracy of inputs and consistency with the entity's provisioning methodology.</p> <p>We have not identified any issues that require reporting to Those Charged with Governance.</p>



Financial statements: other responsibilities

Matter	Commentary	Findings
Matters in relation to fraud	We have previously discussed the risk of fraud with management and the Audit and Ethics Committee. We have not been made aware of any other incidents in the period. No other issues have been identified during the course of our audit.	We are satisfied that there is no risk of material misstatement due to fraud.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.	We have no issues to report in response to this area.
Matters in relation to compliance with laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations, and we have not identified any instances from our audit work.	We have no issues to report in response to this area.
Written representations	A letter of management representations has been requested from the Council.	Please refer to the letter of representation included alongside this report.
Confirmation requests from third parties	We requested permission from the Council to send confirmation requests to banks, other Councils, and entities where investments and borrowings are held. We received confirmations from all counterparties except Santander, which holds very small balances, and BAE Pensions, which has a loan of £10m. We have performed alternative audit procedures to obtain assurance over these balances.	We have not identified any issues to report in this area.
Disclosures	Our review found no material omissions in the financial statements; however, a prior period adjustment note is required within the financial statements to present a true and fair view. This has been raised as a disclosure adjustment on page 32.	We have no issues to report in response to this area.



Financial statements: other responsibilities

Matter	Commentary	Findings
Going concern	<p>As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).</p> <p>Management prepared the financial statements on a going concern basis applying the continuation of services provision set out in Practice Note 10. We have confirmed that this is appropriate as there is no known intention to transfer the services provided by the Council outside the public sector. We have not identified any material uncertainties relating to going concern at the Council.</p>	<p>We concur with management’s assessment that it is appropriate to continue to adopt the going concern basis and there are no material uncertainties relating to going concern which should be disclosed in the financial statements.</p>
Other information (Narrative report and Annual Governance Statement)	<p>We are required to read and report on whether the other information included in the Statement of Accounts (including the Narrative Report and Annual Governance Statement) is materially inconsistent with the financial statements and our knowledge obtained from the audit or otherwise appears to be materially misstated. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or whether risks are satisfactorily addressed by internal controls.</p>	<p>We have completed our review of the Narrative Report and Annual Governance Statement, and we have no significant issues to report in response to this area.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception:</p> <ul style="list-style-type: none"> • If the annual governance statement does not comply with the disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit; and • Where we are not satisfied in respect of arrangements to secure value for money and have reported significant weaknesses. 	<p>We have nothing to report on these matters.</p>



Financial statements: other responsibilities

Matter	Commentary	Findings
<p>Specified procedures for the Whole of Government Accounts</p>	<p>We are required to carry out specified procedures on behalf of the NAO on the WGA consolidation pack under WGA group audit instructions. Group instructions were issued in August 2025 which set out the procedures that the NAO require from component auditors.</p> <p>The Council does not exceed the audit threshold for detailed testing set out in the group instructions. Submission of a partial assurance statement is required. However, the prior year instructions state that the NAO may direct auditors of components below the audit threshold to undertake additional work.</p>	<p>We will complete our work on WGA once the audit has been finalised.</p>
<p>Certification of closure of the audit</p>	<p>We are required to certify the closure of the audit on completion of all audit work for the financial year required under the Code.</p>	<p>We cannot issue our certificate of closure until the Comptroller and Audit General has certified the WGA for 2024-25. Our auditor's report will therefore include a delayed certificate.</p>
<p>Statutory powers and duties</p>	<p>We are required to report by exception if we have applied our other statutory powers or duties during the audit.</p>	<p>We have not exercised any of our additional statutory powers or duties.</p>



Audit adjustments

Adjusted misstatements

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. Details of items corrected following discussions with management are as below.

Detail	CIES £000 DR (CR)	Balance sheet £000 DR (CR)	Impact on total net expenditure £000 DR (CR)	Impact on useable reserves £000 DR (CR)
<p><u>Miscoding between Short-Term Investments and Cash Equivalents</u></p> <p>We have identified a reconciling difference between the investments working paper and the balance in the accounts. Management have stated that this is due to a miscoding in the ledger between cash equivalents and short-term investments.</p> <p>Dr Cash Equivalents Cr Short-Term Investments</p>		2,828 (2,828)		
<p><u>Miscoding between Long Term Investments and Short-Term Investments</u></p> <p>We have identified an investment that should be classed as long term rather than short term.</p> <p>Dr Long-Term Investments Cr Short-Term Investments</p>		5,000 (5,000)		



Audit adjustments

Detail	CIES £000 DR (CR)	Balance sheet £000 DR (CR)	Impact on total net expenditure £000 DR (CR)	Impact on useable reserves £000 DR (CR)
<p><u>Property, plant and equipment</u></p> <p>From work performed in relation to the PPE balance of Land & Buildings and council dwellings, management have made the following adjustments:</p> <p>Dr Unusable Reserves Dr CIES – Cost of Services Dr Property, plant and equipment (Council Dwellings) Cr Property, plant and equipment (Land & Buildings) Cr Property, plant and equipment (other assets)</p>	393	1,533 172 (1,927) (171)	(393)	(393)
<p><u>Miscoding between Long Term Borrowings and Short-Term Borrowings</u></p> <p>We have identified a borrowing that should be classed as long term rather than short term.</p> <p>Dr Short-Term Borrowings Cr Long-Term Borrowings</p>		1,000 (1,000)		



Audit adjustments

Detail	CIES £000 DR (CR)	Balance sheet £000 DR (CR)	Impact on total net expenditure £000 DR (CR)	Impact on useable reserves £000 DR (CR)
<p><u>Collection Fund</u></p> <p>Following the work performed by LG Futures, the Collection Fund figures have been updated:</p> <p>Dr Short-Term Debtors Cr Short-Term Creditors Cr Taxation and Non-Specific Grant Income</p>	(361)	1,078 (717)	(361)	(361)
<p><u>Miscoding between Long Term Provisions and Short-Term Provisions</u></p> <p>Management has corrected £265k of Non-domestic rate provisions that should be short-term rather than long term.</p> <p>Dr Long-Term Provisions Cr Short-Term Provisions</p>		265 (265)		
Overall impact	32	(32)	32	32



Audit adjustments

Unadjusted misstatements

The table below provides details of adjustments identified during the audit which have not been made in the final set of financial statements. The Audit and Ethics Committee is required to approve management's proposed treatment of all items in the table below.

Detail	CIES £000 DR (CR)	Balance sheet £000 DR (CR)	Impact on total net expenditure £000 DR (CR)	Impact on useable reserves £000 DR (CR)	Reason for not adjusting
<p>PPE Victoria House From work performed, we noted that Victoria House was held in the Fixed Asset Register as operational land and building however, the instructions to the valuer had this as a surplus asset. Following discussions with management and the valuer, we have confirmed that the difference in this classification does not lead to material change in the net book value of the asset. The impact is as below:</p> <p>Dr HRA Revenue Dr Capital Adjustment Account Cr HRA MIRS Cr Property, plant and equipment (Land & Buildings) Cr Revaluation Reserve</p>	195	195 (195) (50) (145)	195	195 (195)	Not material
Overall impact	195	0	195	0	



Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit.

Disclosure / issue / omission	Outcome	Adjustment agreed?
<p><u>Prior Period Adjustments (PPA)</u> As there has been two restatements made to the prior year's core financial statement, in accordance with IAS 1, management is required to include a PPA note to explain the movement and reasons. One of these PPAs affects the balance sheet, in accordance with IAS 1, management is also required to add a third balance sheet to show the impact of the opening balance to 2023/24 financial year.</p> <p>For the one restatement to the capital commitments note, management is required to add a narrative to the note to explain the nature of the change.</p>	<p>Management has agreed to add in a new note to cover the prior period adjustment and the third balance sheet.</p>	<p>Y</p>
<p><u>Reclassification changes for prior year comparative</u> Management has made the following reclassification changes for prior year comparative disclosures in the following areas, for clarity to the readers of the financial statements, we recommend that management add a narrative to explain the changes.</p> <ol style="list-style-type: none"> 1. Long term Advances absorbed within Long Term Debtors 2. Debtors note split out with different categories 3. Creditors note split out with different categories 	<p>Management has agreed to add in the required narrative.</p>	<p>Y</p>
<p><u>Narrative Report</u> Within the Portfolio expenditure and financing, the growth and investment current net budget disclosed figure should be £1,692k instead of £2k. In addition to this, the I&E tables have been updated following changes made to the CIES post audit.</p>	<p>Management has agreed to change the disclosure.</p>	<p>Y</p>



Audit adjustments

Misclassification and disclosure changes

Disclosure / issue / omission	Outcome	Adjustment agreed?
<p><u>Cash flow statement</u> Amendments were made to the Cash Flow Statement as part of the audit. These adjustments were required to correct misallocations between lines and to ensure consistency with the Movement in Reserves Statement and supporting notes. Revisions were made to the Net Cost of Services, non-cash movements, investing activities and financing activities, resulting in updated operating cash flow totals and corrections to the investing activities disclosure. The amendments also reflect updates arising from the revised CIPFA model, ensuring the figures presented are accurate and internally consistent across both the current and comparative year.</p>	<p>Management has agreed to change the disclosure.</p>	<p>Y</p>
<p><u>Note 4 Estimation uncertainty</u> Estimation uncertainty note does not include elements required in IAS 1.</p>	<p>Management has agreed to change the disclosure.</p>	<p>Y</p>
<p><u>Note 12 Grant Income</u> There's a difference of £357k between the Trial Balance and Note 12. This is a disclosure error and does not impact the government and other grant income included in the CIES.</p>	<p>Management has agreed to change the disclosure.</p>	<p>Y</p>
<p><u>Note 36 Defined Benefit Pension Scheme</u> Following receipt of the assurance letter from the Pension Fund auditor, it was identified that the benefits paid figure differed by £910k from the estimate used by the actuary. This indicates that the benefits paid amount disclosed in the pension notes, under both assets and liabilities, needs to be updated. This has no impact on the closing pension liability reported in the balance sheet.</p>	<p>Management should adjust for all minor presentational, formatting and disclosure issues identified by the audit team.</p>	<p>Y</p>



Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit.

Disclosure / issue / omission	Outcome	Adjustment agreed?
<u>Collection Fund Account</u> Following changes made to the collection fund figures following the work performed by LG Futures, the collection fund statement and associated notes have been updated.	Management has agreed to change the disclosure.	Y
<u>Note 35 Right of Use Assets</u> When agreeing the Right of Use Assets balance to the Fixed Asset Register, we noted that the Gross Book Value is understated by £82k and the Accumulated Depreciation by £100k. The net impact is highly trivial.	Management has opted not to change this disclosure as the net impact is highly trivial.	N
<u>HRA Note 1</u> There's a difference of 2 properties between the note and the supporting evidence.	Management has agreed to change the disclosure.	Y
<u>Note 18 Financial Instruments</u> Following reclassification changes made to the investments and borrowings figures, the amounts in the note have been updated.	Management has agreed to change the disclosure.	Y
<u>Minor presentational, formatting and disclosure issues</u> We proposed a number of minor changes and narrative amendments to improve the presentation of the accounts.	Management should adjust for all minor presentational, formatting and disclosure issues identified by the audit team.	Y



Audit adjustments

Impact of prior year unadjusted misstatements on the 2024/25 financial statements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2023/24 financial statements, and their impact on the 2024/25 financial statements.

Detail	CIES £000 DR (CR)	Balance sheet £000 DR (CR)	Impact on total net expenditure £000 DR (CR)
<p><u>LGPS Net Pension Liability – 2023/24</u> In the prior year, we reported that the total asset ceiling calculation of £18,532k has been recognised in full within Re-measurement of the net defined pension liability line in the Other Comprehensive Income, however, £112k of this should be recognised as net interest on the defined liability.</p> <p>Dr Net interest on the defined liability Cr Pension Reserve</p>	112	(112)	112
<p><u>Community assets reclassification – 2023/24</u> During this year’s valuation, it was decided that there are some of the assets included within the operational land and buildings should be treated as community assets instead. However, management have chosen not to reclassify these in 2023/24 on materiality basis.</p> <p>Dr PPE - Community Assets Cr PPE – Other land and buildings</p>		416 (416)	



Audit adjustments

Impact of prior year unadjusted misstatements on the 2024/25 financial statements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2023/24 financial statements, and their impact on the 2024/25 financial statements.

Detail	CIES £000 DR (CR)	Balance sheet £000 DR (CR)	Impact on total net expenditure £000 DR (CR)
<p><u>Under provision of HRA bad debt – 2023/24</u></p> <p>In the prior year, we reported that management under provided against HRA bad debt.</p> <p>Dr Provisions Cr HRA debtors</p>	109	(109)	109
<p><u>To correct the reversal of impairment noted as it relates to an increase in Provisions – 2023/24</u></p> <p>In the prior year, we reported that management under provided against HRA bad debt.</p> <p>Dr Cost of Services Cr Financing and Investment Income</p>	400 (400)		
Overall impact	211	(211)	211
2024/25 impact	Nil	Nil	Nil
Cumulative impact	211	(211)	211



Value for money

We are required to consider whether the Council has established proper arrangements to secure economy, efficiency and effectiveness in its use of resources, as set out in the NAO Code of Practice 2024 and the requirements of Auditor Guidance Note 3 ('AGN 03').

We have completed our value for money work. Our detailed findings was reported in our Auditor's Annual Report.

We have not identified any significant weaknesses in the Council's arrangements and so are satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Reporting criteria	Planning – risk of significant weakness identified?	Final – significant weakness identified?	Recommendations made		
			Statutory	Key	Other
Financial sustainability How the body plans and manages its resources to ensure it can continue to deliver its services	No	No	No	No	Yes
Governance How the body ensures it makes informed decisions and properly manages risk	No	No	No	No	Yes
Improving economy, efficiency and effectiveness How the body uses information about its costs and performance to improve the way it manages and delivers its services	No	No	No	No	No



Independence and ethics

The Ethical Standards and ISA (UK) 260 require us to give you full and fair disclosure of matters relating to our independence. In accordance with our profession's ethical requirements and further to our audit plan issued confirming audit arrangements we confirm that there are no further facts or matters that impact on our integrity, objectivity and independence as auditors that we are required or wish to draw to your attention. We consider an objective, reasonable and informed third party would take the same view.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements. In addition, we have complied with the National Audit Office's Auditor Guidance Note 01, which sets out supplementary guidance on ethical requirements for auditors of public sector bodies.

In particular:

- ▶ Non-audit services: There are no non-audit services provided to the Council by Azets Audit Limited.
- ▶ Contingent fees: No contingent fee arrangements are in place for any services provided.
- ▶ Gifts and hospitality: We have not identified any gifts or hospitality provided to, or received from, any member of the Council, senior management or staff.
- ▶ Relationships: We have no other relationships with the Council, its directors, senior managers and affiliates, and we are not aware of any former partners or staff being employed, or holding discussions in anticipation of employment, as a director, or in a senior management role covering financial, accounting or control related areas.



Appendices

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Appendix I: Recommendations from the financial statements audit

Recommendations identified during the course of our audit.

The matters reported here are limited to deficiencies we have identified during the course of our audit which we feel are of sufficient importance to merit reporting to you under the auditing standards. Recommendations arising from our value for money work are reported separately in our Auditor's Annual Report.

Assessment	Issue	Recommendation	Management response
AMBER	<p>Lack of adequate controls</p> <p>Our journals testing identified instances of miscoding between budget codes and those used in the financial records. These errors should have been detected as part of the journal review process, indicating that the existing review controls are not operating effectively.</p>	<p>Management should strengthen the journal approval and review process by implementing additional controls to detect and prevent coding errors prior to posting.</p>	<p>All manual journals are subject to authorisation by an appropriate supervisor, and this recommendation will be drawn to relevant officers' attention and any further training needs will be identified.</p>
AMBER	<p>Fully depreciated assets held by the Council</p> <p>We have identified an extrapolated disclosure misstatement where the Gross Book Value of Intangible Assets is overstated. While this has no impact on the closing Net Book Value, it does indicate that the Intangible Assets disclosure note is potentially overstated.</p>	<p>We recommend that management review the fully depreciated assets and either dispose of those no longer in use, removing them from the Fixed Asset Register, or re-life the remaining assets in line with updated useful economic lives.</p>	<p>Management will incorporate consideration of fully depreciated intangible assets within the 2025/26 closedown review process and will address any material issues identified in accordance with accounting requirements.</p>
AMBER	<p>Declaration of interests</p> <p>We have identified instances in our related parties testing where a number of officers and councillors have failed to fully disclose their interests, omitted associated organisations in their declarations.</p>	<p>We recommend that the Council strengthen its monitoring arrangements for the register of interests to ensure it is complete, accurate, and updated in a timely manner. We also suggest that the Monitoring Officer consider delivering refresher training to reinforce awareness and understanding of the requirements among members.</p>	<p>The Monitoring Officer has already addressed this issue.</p>



Appendix I: Recommendations from the financial statements audit

Assessment	Issue	Recommendation	Management response
GREEN	<p>System configuration for users</p> <p>Our journals testing identified a configuration issue within the financial system where the "updated" field in general ledger reports misleadingly reflects the username of a former systems manager for manually posted journals in the current period. This created the initial impression that journals were being posted after the individual's departure. Upon further investigation, it was determined that the system is automatically assigning a username in the final posting. This default attribution to a specific user account is misleading in reports and was initially flagged as high risk by the audit team. Although this did not affect our audit outcome, we suggest it as a best practice recommendation for management going forward.</p>	<p>Management should review and amend system configurations to ensure that automated postings reflect a neutral identifier rather than a named user. This will improve clarity in reporting, support accurate audit trails, and enable clear differentiation between system-generated and manually posted transactions.</p>	<p>Work is under way to identify where in the system's configuration the former employee's name is recorded so that this oddity can be corrected. However, this is proving difficult to locate within the complex configuration and is taking time to resolve.</p>
GREEN	<p>Bank signatories</p> <p>As part of our bank testing, we identified accounts where management is unable to access information because the authorised signatories have left the organisation. These accounts hold very small balances, but it is best practice to review them periodically. Regular reviews help maintain control over financial assets, reduce operational and security risks, and support compliance with good governance practices.</p>	<p>We recommend that management periodically review all bank accounts to ensure signatory information is current and access is appropriately maintained. This is particularly important for accounts where authorised signatories have left the organisation, even if the balances are small.</p>	<p>A full review of bank account signatories is being undertaken, and signatories are already fully updated on the main bank account.</p>
GREEN	<p>Cash in hand reconciliations and suspense accounts</p> <p>As part of our bank testing, we noted that there are balances within suspense accounts and cash in hand reconciliations that are older than six months.</p>	<p>We recommend that management review the opening balance and ensure that older items that are unable to be reconciled are written off.</p>	<p>Management will incorporate consideration of historic reconciling items within the 2025/26 closedown process and will address any material balances identified in line with the Council's procedures</p>



Appendix I: Recommendations from IT audit

Recommendations identified during the course of our audit.

We set out here the recommendations we have identified as part of our Technology Risk review.

Assessment	Issue	Recommendation	Management response
AMBER	<p>Segregation of duties Segregation of duties was not found to be in place as a change made to the finance system was developed and implemented by the same individual.</p>	<p>We recommend that all changes to the finance system should follow a formal change process where the person responsible for developing the change is different to the individual responsible for implementing the change.</p>	<p>This is for the Service Area to ensure that change control is in place for effective system changes. ITDS have already a Change control process for works they undertake and are responsible for.</p>
AMBER	<p>Cyber Rugby Borough Council has identified and documented cyber related risks at an operational level, within the Digital and Communications Risk Register. Key fields across the risk register (including, but not limited to, Date Risk Added, Date of Last Review, Further Controls/Actions/Consequences, Current Status and Target Date) lack completion. No evidence was provided to demonstrate the escalation of cyber risks to the Corporate Risk Register for oversight at a strategic level.</p>	<p>Rugby Borough Council should expand its risk identification process to include specific operational cyber risks, such as network vulnerabilities, insider threats, and potential for data breaches. Additionally, the Council should ensure that all relevant fields in the risk management documentation (e.g., risk dates, review dates, target dates) are consistently populated and regularly updated. This will provide a clearer view of the Council's cyber risk landscape and ensure that cyber risks are effectively managed and mitigated through a structured, timely approach.</p>	<p>This is an organisational process and change that needs to take place. This requires a strategic vision and commitment from the Leadership of the council in order for the operational elements to be implemented and successful. The recommendation would be to ensure appropriate resources and funding is given to Information Governance, Data Quality and Cyber Security. This would support the recommendation made in this audit.</p>



Appendix I: Recommendations from IT audit

Assessment	Issue	Recommendation	Management response
AMBER	<p>Supplier Assurance Rugby Borough Council does not have in place a consistent approach to supplier assurance, with no IT involvement in any assessments carried out at procurement.</p>	<p>Rugby Borough Council should implement a process by which suppliers and third parties are subject to risk assessment both at initial procurement and throughout their contract. This assessment should be based on a pre-defined set of requirements set by the organisation to form a baseline maturity which third-parties must meet.</p> <p>Periodic reassessment of suppliers should be undertaken at contract renewal, in response to any significant changes, and using a risk-based approach which considers the criticality to the organisation.</p>	<p>This is an organisational process and change that needs to take place. This requires a strategic vision and commitment from the Leadership of the council in order for the operational elements to be implemented and successful. A system procurement framework and aligned system strategy would support the recommendation made in this audit..</p>
AMBER	<p>Cyber Security Rugby Borough Council has a cyber security training programme in place. Completion rates and simulation click rate can be tracked. Course compliance is currently sitting at 39.79%.</p>	<p>Rugby Borough Council should ensure that, as the cyber security training programme progresses, they are also implementing measures to improve compliance with mandatory training, such as automated reminders, escalation of non-compliance to management, and linking training completion to performance reviews. The organisation should regularly monitor compliance rates and address barriers to completion to ensure a higher level of staff and contractor awareness.</p>	<p>Reporting, follow up and communication to be improved for this program..</p>

Key: **Significant** effect on financial statements **Limited** effect on financial statements **Low** improvement point / best practice



Appendix I: Recommendations from IT audit

Assessment	Issue	Recommendation	Management response
AMBER	<p>Strategic Plan Rugby Borough Council does not have a strategic plan in place which addresses improvement of cyber security arrangements. Rather, the Council conducts high-level planning via assignment of tasks within the Information Governance Group. Planning is, as such, reactive and tactical rather than proactive and strategic.</p>	<p>Rugby Borough Council should develop and formalise a strategic action plan for cyber security, outlining strategic objectives and goals, key initiatives, timelines and responsible owners. They should also consider including, within existing risk registers, treatment plans which outline the assignment of actions to identified risks.</p>	<p>This is an organisational process and change that needs to take place. This requires a strategic vision and commitment from the Leadership of the council in order for the operational elements to be implemented and successful. The recommendation would be to ensure appropriate resources and funding is given to Information Governance, Data Quality and Cyber Security. This would support the recommendation made in this audit.</p>

Key: **Significant** effect on financial statements **Limited** effect on financial statements **Low** improvement point / best practice



Appendix I: Recommendations from IT audit

Assessment	Issue	Recommendation	Management response
AMBER	<p>Incident Management</p> <p>Rugby Borough Council does not have in place an incident management plan which sets out the organisation's approach to detection of, management of and response to cyber security incidents. As there is no cyber incident management or response plan in place, Rugby Borough Council is not yet in a position to undertake detailed incident response testing.</p>	<p>Rugby Borough Council should introduce a Cyber Incident Response Plan, or work to include consideration of cyber incident response within a new, wider incident management plan. The organisation's approach to cyber incident response planning should include areas such as asset mapping, roles and responsibilities, escalation criteria, response steps and post-incident activity.</p> <p>Once implemented, the Council should ensure that their approach to cyber incident response is up-to-date and reviewed on a regular basis (e.g., annually) and in response to any significant organisational changes.</p>	<p>This is an organisational process and change that needs to take place. This requires a strategic vision and commitment from the Leadership of the council in order for the operational elements to be implemented and successful. The recommendation would be to ensure appropriate resources and funding is given to Information Governance, Data Quality and Cyber Security. This would support the recommendation made in this audit.</p>
GREEN	<p>Password Policy</p> <p>The organisation's password policy does not define password history, account lockout threshold or duration, complexity, or MFA requirements. The 10-character minimum length password parameter does not promote the best practice of using passphrases.</p>	<p>We recommend that the password policy is updated to reflect the Active Directory password configuration.</p> <p>We also recommend that the password configuration is updated to enforce a minimum of 12 characters to align to NCSC best practice.</p>	<p>ITDS will ensure that the network password configuration aligns with the policy and best practice. Any SSO and system password, configuration would need to be implemented by the supplier and Service Area in regard specifically to Unit 4.</p>
GREEN	<p>User Access</p> <p>User access reviews of the finance system are not conducted.</p>	<p>We recommend that formally documented user access reviews are carried out, on an at-least annual basis, with documentation recorded and maintained for a clear audit trail and evidence.</p>	<p>The Service Area responsible for the system to ensure that controls and procedures are in place for effective user management. ITDS already have a process for areas under their control.</p>

Key: **Significant** effect on financial statements **Limited** effect on financial statements **Low** improvement point / best practice



Appendix I: Internal control recommendations

Follow up of prior year recommendations

Assessment 2023/24	Issue	Recommendation	Auditor update 2024/25	Outcome
RED	<p>Timeliness of property valuations</p> <p>The valuation of land, buildings and council dwellings was not finalised until September 2024, almost four months after the publication of the draft accounts. This meant that the audit team were unable to begin the testing in this area as planned and that audit adjustments were process by management following the draft accounts being presented for audit.</p>	Management should ensure they engage with valuers early and the final report is available in time with their closedown and financial statements preparation timetable.	Management has had early engagement with the valuers in 2024/25, in line with their closedown and financial statements preparation timetable.	Action completed. Recommendation closed
AMBER	<p>Journals with blank descriptions</p> <p>Per our understanding of the Council's control environment, the finance system should not allow creation and approval of journals with blank line descriptions. However, three journals were identified with blank line descriptions. From testing of these journals, it was identified that the system does allow 'blank descriptions' but these should be identified by the authorising officer and corrected before final posting.</p>	Management should strengthen the journals control environment and ensure journals are not posted with blank line descriptions.	We have identified the same issue in 2024/25. We therefore consider that this has not been fully addressed, and we consider this deficiency to remain open.	Action not addressed. Recommendation remains open



Appendix I: Internal control recommendations

Follow up of prior year recommendations

Assessment 2023/24	Issue	Recommendation	Auditor update 2024/25	Outcome
AMBER	<p>Corporate risk register It would be helpful to understand the initial risk rating and then the mitigating controls/actions to reduce the risk level where possible. The mitigated risk rating should also then be included. At the moment it shows the previous level and the current risk level without understanding why it has changed.</p>	Management should review the risk register and assess whether it can be improved.	Management believes that the risk register is sufficient for the requirements and includes comprehensive details of controls and improvements made. However, audit team believe the register can still be improved as per the prior year's recommendation.	Action not addressed. Recommendation remains open
AMBER	<p>Fixed asset register The fixed asset register was not updated in a timely manner, and we experienced difficulties agreeing the register to the PPE note and valuation reports.</p>	Management should review the fixed assets register to ensure it is updated in a timely way following the valuation exercise undertaken. They should also ensure that accumulated depreciation is written back as appropriate and all valuation movements taken to the revaluation reserve and CIES are easily identifiable.	During 2024/25, a consultant was engaged to undertake a transformation review of the fixed asset register (FAR) and reporting process. While improvements have been made compared to the prior year, the audit team continues to experience difficulties reconciling revaluation movements in the FAR with the valuer's report.	Action in progress. Recommendation remains open



Appendix I: Internal control recommendations

Follow up of prior year recommendations

Assessment 2023/24	Issue	Recommendation	Auditor update 2024/25	Outcome
AMBER	<p>Timeliness of reports from HRA, Housing and the revenue system reports</p> <p>As part of our debtors testing, specifically Collection Fund and HRA income testing, there have been multiple instances where management haven't been able to obtain the system reports as of 31 March 2024 due to it being a live system.</p>	Management should download reports in a timely manner and keep sufficient records of them so that it provides strong audit trail.	Management downloaded and shared the HRA, Housing, and revenue system reports as at 31 March 2025 with the audit team. However, the HRA and Housing debtor reports have not yet been reconciled to the General Ledger and remain outstanding at the time of writing this report.	Action in progress. Recommendation remains open
AMBER	<p>Quality review of financial statements</p> <p>During the audit we noted several disclosure errors in the financial statements that were communicated to management and corrected. Upon reflection we noted that these deficiencies occurred due to weakness in the financial statements' preparation and review processes.</p> <p>The Council should ensure they do a thorough quality check of the financial statements ahead of publishing the statements and presenting for audit.</p>	The Council should ensure they do a thorough quality check of the financial statements ahead of publishing the statements and presenting for audit.	During 2024/25, management performed quality reviews to help ensure the accounts were free from disclosure errors. However, as displayed in the 'Audit Adjustments' section of the report, we have identified material adjustments post audit.	Action in progress. Recommendation remains open



Appendix I: Internal control recommendations

Follow up of prior year recommendations

Assessment 2023/24	Issue	Recommendation	Auditor update 2024/25	Outcome
AMBER	<p>Timeliness of reports from HRA, Housing and the revenue system reports</p> <p>As part of our debtors testing, specifically Collection Fund and HRA income testing, there have been multiple instances where management haven't been able to obtain the system reports as of 31 March 2024 due to it being a live system.</p>	Management should download reports in a timely manner and keep sufficient records of them so that it provides strong audit trail.	Management downloaded and shared the HRA, Housing, and revenue system reports as at 31 March 2025 with the audit team. However, the HRA and Housing debtor reports have not yet been reconciled to the General Ledger and remain outstanding at the time of writing this report.	Action in progress. Recommendation remains open
AMBER	<p>Minimum revenue provision</p> <p>The Minimum Revenue Provision is 1.75% of opening Capital Financing Requirement (excluding HRA Items). We have checked the calculations as accurate and whilst this is below 2%, it is only just below this level.</p>	The MRP should be set at 2% of CFR to avoid not having sufficient funds available for capital expenditure / capital finance repayments in the future.	Management have responded that the previous auditor's calculation of the percentage includes CFR for the HRA. Audit team have reviewed this for 2024/25 and are satisfied that this is correct and as such, this recommendation is closed.	Action completed. Recommendation closed



Appendix I: Internal control recommendations

Follow up of prior year recommendations

Assessment 2023/24	Issue	Recommendation	Auditor update 2024/25	Outcome
GREEN	<p>Bank reconciliation As part of our bank reconciliation testing, we have tested a reconciling item which is a receipt on bank statement not in the cash book. Upon evaluation of evidence provided, we note that the item has been received in the bank and recorded as a receipt in the general ledger. This is due to management including feeder reports as reconciling items in the bank reconciliation.</p> <p>This process meant that the sample we have tested appeared twice in the bank reconciliation; 1) as a receipt on bank statement not in cash book (reduction on bank balance), and 2) as a receipt in cash book not on bank statement (addition on bank balance). While the impact of the item on the bank reconciliation is nil, we deem that the process can be improved so transactions are not treated as reconciling items when they are not.</p>	Management should review the existing bank reconciliation process and assess whether it can be simplified.	We have identified this again in the bank reconciliation provided at 31 March 2025.	Action not addressed. Recommendation remains open



Appendix II: Fees

Our fees for the year ending 31 March 2025 are set out in the PSAA scale fees communication and are shown below

Audit fees	Proposed fee £	Final fee £
Scale fee: base fee for the audit of the Council's financial statements (as set out in the fee scales issued by PSAA)	171,487	171,487
IFRS16 Leases: work needed to audit the new standard. PSAA have confirmed this work is not included in the above scale fee	TBC	7,532
Prior period adjustment considerations	N/A	8,312
Quality and preparation issues	N/A	24,829
PPE valuation	N/A	10,194
VFM Commentary	N/A	4,928
Total audit fees	TBC	£227,282

The audit fees charged reconcile to the fees disclosed in the financial statements as below:

Fees per financial statements	£181,000
less estimated fees for IFRS 16	(£10,000)
Total scale fee	£171,487

As per PSAA's Scale Fees Consultation, the scale fees did not include the new requirements of IFRS16 Leases. Additional Fees charged are subject to agreement via the PSAA fees variation process.



