



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Governance and Audit Committee

Wednesday, 18 March 2026

Report of Councillor Ashley Baxter,
Leader of the Council,
Cabinet Member for Finance, HR and
Economic Development

2025/26 Action Plan for Draft Statement of Accounts

Report Author

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Purpose of Report

To provide an update regarding the publication of the 2025/26 Statement of Accounts.

Recommendations

The Committee is recommended to:

- 1. Note the publication dates for the draft and final audited Financial Statements.**
- 2. Note the action plan for targeting achievement of the publication the Statement of Accounts.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The Council has an enviable record of having unqualified accounts alongside ensuring the annual statutory deadline is met each financial year with respect to the publication of the audited financial statements.
- 1.2 For the past two financial years the draft Statement of Accounts has been published after the deadline date. Whilst the external auditors have acknowledged this is not an actual significant weakness, senior officers are committed to bringing this back into line. The report outlines the actions being taken to order to try and achieve this.
- 1.3 However, it should be noted that meeting the deadline for the publication of the draft financial statements remains challenging as it will be the first year of closedown on a new finance system and pressures on resources to undertake budget monitoring, LGR preparedness and reviewing the medium-term financial outlook.

Completed by: *Richard Wyles, Deputy Chief Executive and s151 Officer*

Legal and Governance

- 1.4 Local authorities are required by the Local Audit and Accountability Act 2014 to prepare a Statement of Accounts in accordance with relevant regulations. The policies referred to are a requirement of the Accounts and Audit (England) Regulations 2015. The Governance and Audit Committee has the authority to approve the Annual Statement of Accounts, as detailed at Part 3 of the Constitution.

Completed by: *James Welbourn, Democratic Services Manager*

2. Background to the Report

- 2.1. Nationally, there has been an external audit backlog in signing off audited accounts, resulting in a large number of disclaimed opinions. The Government has set out a plan, together with key local audit providers, to tackle the backlog. The plan introduces statutory backstop dates to enable the audit system to recover. This approach will allow auditors to focus on more recent accounts, where assurance is most valuable.
- 2.2 The Annual Auditors Report for 2024/25 identified that not achieving the draft deadline is a potential area of weakness. However, as the Council continues to meet the statutory deadline for the publication of the audited accounts, there is no actual weakness.
- 2.3 In order to provide assurance to the Committee, it was agreed the s151 Officer would present proposed actions being considered for the closedown of the 2025/26 accounts.

3. Key Considerations

- 3.1. The following table details the publication dates for the draft and final audited 2025/26 Statement of Accounts.

	Publication date of 2025/26 Statement of Accounts
Draft Statement of Accounts	30 June 2026
Audited Statement of Accounts	31 January 2027

- 3.2 Compared to the 2024/25 closedown, the deadline for the draft Statement of Accounts remains unchanged but the date for the Audited Statement of Accounts is a month earlier than the previous year.
- 3.3 To meet the deadline for the draft Statement of Accounts for 2025/26 the following actions are taking place:
- External Support
 - Lessons Learnt
 - Project Planning

External Support

- 3.4 As part of the finance system implementation, the Council has engaged Unit 4 system specialists to provide bespoke Year End closedown support. This relates to: closedown on the system; training for key staff; and developing specific Year End reports. This area has been given the highest priority because it relates to the first closedown on the new system and staff are unfamiliar with the required closedown processes.

Lessons Learnt

- 3.5 Within the ISA260 review report on the 2024/25 accounts presented to members at the February 2026 committee, there was a recommendation for an internal review to identify how unnecessary delays could be removed. The management response outlined that the finance team works closely with audit colleagues to work through evidence requirements in a timely manner.
- 3.6 In order to ensure compliance, KPMG (the Councils external auditors) have been asked for clarity on which core statements can be published by 30 June 2026.

Project Planning

- 3.7 The finance team has a detailed project plan which has been shared with KPMG outlining key dates, tasks and responsible personnel. This will be refreshed as part of the upcoming closedown taking any learning for the debrief meetings.
- 3.8 There will also be an internal working group with all teams involved in the process, including Housing and Revenues colleagues, who play a key role in completing the closedown.
- 3.9 KMPG use a SharePoint portal where all tasks are allocated and assigned. This is used as a tracker for the regular meetings as the audit progresses. This helps provide early warnings if and when any deadlines appear difficult to achieve.

4. Other Options Considered

- 4.1 No other options were considered.

5. Reasons for the Recommendations

- 5.1. The Council is required to meet the statutory publication deadline of 31 January 2027 as set out in section 3.1.