



Title of report: 2024/25 External Audit Findings Report

Meeting: Audit and Governance Committee

Meeting date: Thursday 25 September 2025

Report by: Director of Finance, Chief Accountant

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To consider the external audit findings report for the year ended 31 March 2025.

Recommendation(s)

That:

- a) The report of the external auditor attached at Appendix 1 be considered; and**
- b) The committee determine whether any issues raised in the report require inclusion in the committee's future workplan.**

Alternative options

1. None; the audit of the council's statutory accounts is a requirement of the Accounts and Audit (England) Regulations 2015 (as amended).
2. It is open to the committee to determine its future work programme to enable it to provide assurance on the adequacy of the council's risk management, financial reporting and annual governance processes. It is also open to the committee to comment on the scope and depth of external audit work and to ensure it gives value for money.

Key considerations

3. The external audit findings report is attached at Appendix 1. The report has been prepared by the council's external auditor, Grant Thornton, and summarises the key findings and other matters arising from the statutory audit and the preparation of the financial statements for the year ended 31 March 2025 for the attention of those charged with governance.
4. Under International Standards on Auditing (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the Code), the external auditor is required to report whether, in their opinion, the group and council's financial statements:
 - i. Give a true and fair view of the financial position of the group and council and the income and expenditure for the year, and
 - ii. Have been properly prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.
5. External audit is also required to report on whether the information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report) is materially inconsistent with the financial statements or knowledge obtained through the audit or otherwise appears to be misstated.
6. The Independent Auditor's Report to Members, included as Appendix 3 to the 2024/25 Statement of Accounts at item 10 of this agenda, confirms the audit opinion that the financial statements:
 - i. give a true and fair view of the financial position of the group and of the Authority as at 31 March 2025 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
 - ii. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
 - iii. have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.
7. The key issues arising are summarised below;
 - i. The external auditors expect to issue an unqualified audit opinion following the meeting of this committee on 25 September 2025;
 - ii. The external auditors have concluded that the other information to be published with the financial statements is consistent with their knowledge of the organisation and the financial statements they have audited;
 - iii. A small number of disclosure and presentation adjustments have been recommended which management have accepted and made relevant adjustments; and
 - iv. As part of audit testing, the appropriateness of the council's accounting policies, accounting estimates and financial statement disclosures have been evaluated and confirmed to be appropriate and compliant.

Community impact

8. In accordance with the code of corporate governance to support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. External audit contributes to effective accountability.

Environmental Impact

9. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
10. Whilst this is a decision on back-office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

11. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
12. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no impact for equality.

Resource implications

13. The external audit fee detail is provided in Appendix 1. Grant Thornton agree the fee payable through Public Sector Audit Appointments (PSAA) who manage the external audit.

Legal implications

14. Under Part 3 paragraph 5.11 of the Constitution, it is a function of the Audit and Governance Committee to review and agree the External Auditor's Plan.

Risk management

15. The council's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control. The external audit is not designed to test all internal controls or identify all areas of control weakness, however, if external audit identify any control weaknesses, these are reported. The external audit work continues in this area, the audit findings report attached at Appendix 1 details the conclusions on work completed.

Consultees

16. None.

Appendices

Appendix 1: The Audit Findings Report for Herefordshire Council year ended 31 March 2025.

Background papers

None identified.