

# Council

24 February 2026



**Reading**  
Borough Council  
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<b>Title</b>	Statement of Accounts 2024/25
<b>Purpose of the report</b>	To make a decision
<b>Report status</b>	Public report
<b>Executive Director/ Statutory Officer Commissioning Report</b>	Darren Carter, Section 151 Officer & Director of Finance
<b>Report author</b>	Mark Sanders, Chief Accountant (Deputy S.151)
<b>Lead Councillor</b>	Cllr Ellie Emberson, Lead Councillor for Corporate Services and Resources
<b>Council priority</b>	Not applicable, but still requires a decision
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. That the 2024/25 Statement of Accounts be approved.</li><li>2. That the Director of Finance (as S.151 Officer) be authorised to make minor amendments to the 2024/25 Statement of Accounts, in consultation with the Lead Councillor for Corporate Services and Resources</li></ol>

## 1. Executive Summary

- 1.1. The Council is responsible for approving the annual Statement of Accounts. This includes placing reliance on the work of the Council's Internal Audit Team, the external auditor KPMG and the work of the Audit and Governance Committee to focus on the adequacy of governance, risk and control arrangements that are in place, and that any issues arising are managed and resolved by the Council's senior managers.
- 1.2. KPMG is expected to issue a 'disclaimed' audit opinion by the statutory backstop date of 27 February 2026 which is as expected following the Government's approach to recovering from the national backlog in audit opinions.
- 1.3. Any adjustments identified during the audit have been corrected, and there are no matters arising from the public inspection period which is now closed.
- 1.4. The accounts are disclaimed purely as a result of KPMG having insufficient time to provide assurance on 'unaudited' opening balances and split of reserves before the backstop date. A full audit for 2024/25 has been undertaken and there are no significant issues arising.

## 2. 2024/25 Statement of Accounts

- 2.1. This report should be considered alongside the Annual Governance Statement and the Auditor's Annual Report (KPMG) elsewhere on tonight's agenda.
- 2.2. Members will be aware that the draft statement of accounts and external audit progress updates are routinely reported to and considered by the Audit and Governance Committee.
- 2.3. Nationally, a significant number of local authorities received 'disclaimed' audit opinions for 2023/24 (approximately 45%) and this is expected to continue into 2024/25 while

auditors work through the framework for returning councils to 'unqualified' audit opinions.

- 2.4. The Council is up to date with producing its accounts, and there are no significant matters arising from the independent external audit work undertaken. The accounts for 2024/25 will only be disclaimed as a result of KPMG following the Government's Building Back Assurance recovery process to clear an historical backlog of audit opinions.
- 2.5. To support this recovery process, the Government has issued a series of backstop dates by when audit opinions must be given. For Reading, this meant the accounts for 2021/22 and 2022/23 were 'disclaimed' by the Council's previous auditor EY with limited audit fieldwork undertaken.
- 2.6. The accounts for 2023/24 were disclaimed by KPMG as they could not place reliance on previous years' 'unaudited' balances and the prior year comparator figures – they did however undertake a full audit for 2023/24 transactions and reported their findings as usual to both Audit and Governance Committee and Council (January/February 2025).
- 2.7. Since then, a further full audit has been undertaken for 2024/25 and these accounts are presented tonight for approval. KPMG intend to issue a disclaimed opinion as there is still work to do regarding opening balances and split of reserves.
- 2.8. The National Audit Office has now issued guidance for auditors to follow in returning councils to an 'unqualified' audit opinion. This guidance includes offering a risk-based framework to consider the unaudited brought forward balances which for Reading refers to 2021/22 and 2022/23 (EY's disclaimed years) and 2023/24 (KPMG disclaimed year) and how those balances still form part of the 2024/25 position.
- 2.9. A plan has been agreed between the Council's finance officers and KPMG to undertake a focussed piece of work on the unaudited areas as part of next year's audit, with the intention of moving the Council to a qualified opinion for 2025/26 and an unqualified opinion for 2026/27.
- 2.10. The accounts for 2024/25 have been prepared on a going concern basis and all balances and reserves are consistent with the data that is being used to manage the Medium Term Financial Strategy.
- 2.11. At time of drafting this report, there may be minor roundings and typos that the Council will resolve by final publication. All amendments will be signed off with KPMG as a matter of course.

### **3. Contribution to Strategic Aims**

- 3.1. The external audit process includes the approval of the annual Statement of Accounts results and the publication of accurate, transparent financial information which gives a true and fair view of Reading Borough Council's economic performance and financial stability.

### **4. Environmental and Climate Implications**

- 4.1. None arising.

### **5. Community Engagement**

- 5.1. The Public Inspection period has concluded and there are no implications to report.

### **6. Equality Implications**

- 6.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:
  - eliminate direct or indirect discrimination, harassment, victimisation, or any other conduct prohibited by the Equality Act 2010;

- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.2. An Equality Impact Assessment (EIA) is not relevant to this report.

## **7. Other Relevant Considerations**

7.1. There are none.

## **8. Legal Implications**

8.1. The Accounts and Audit Regulations 2015 (as amended) require the Council to produce and publish an annual Statement of Accounts in accordance with these regulations and “proper practice”.

8.2. Section 21 of the Local Government Act 2003 defines “proper practice” for this purpose to be the Chartered Institute of Public Finance and Accountability (CIPFA) Code of Practice on Local Authority Accounting (the Code) for the relevant year. The Code specified the principles, practices, format and content required in the preparation of the Statement of Accounts.

8.3. Part Five of the Accounts and Audit Regulations 2015 requires authorities to allow the public to inspect the accounts for a single period of 30 working days and stipulates that this must include the first 10 working days of June of the financial year immediately following the financial year to which the accounts relate. The Council was unable to comply with this requirement in respect of 2024/25 as the accounts were not ready for inspection.

## **9. Financial Implications**

9.1. There are no direct financial implications arising from this report.

## **10. Timetable for Implementation**

10.1. Not applicable.

## **11. Background Papers**

11.1. There are none

## **Appendices**

### **1. 2024/25 Statement of Accounts**