

# Audit and Governance Committee

27 November 2025



<b>Title</b>	External Auditor Update - KPMG
<b>Purpose of the report</b>	To note the report for information
<b>Report status</b>	Public report
<b>Executive Director/ Statutory Officer Commissioning Report</b>	Darren Carter – Director of Finance
<b>Report author</b>	Mark Sanders, Chief Accountant
<b>Lead Councillor</b>	Councillor Emberson, Lead Councillor for Corporate Services and Resources
<b>Council priority</b>	Not applicable, but still requires a decision
<b>Recommendations</b>	1. That the Committee considers KPMG's Auditor's Annual Report and Progress Report

## 1. Executive Summary

- 1.1. The Code of Audit Practice issued in 2024 by the National Audit Office requires the Council's external auditor KPMG to issue their 'auditor's annual report' to those charged with governance by 30 November each year. This report reflects the work completed to date since the issue of the last auditor's annual report and includes commentary on Value for Money.
- 1.2. As the audit of the 2024/25 Statement of Accounts has not been completed, the auditor's annual report is issued in draft and KPMG will update and reissue their report as a final version at the conclusion of the audit.
- 1.3. In addition to this, a more detailed progress report on the audit of the 2024/25 Statement of Accounts has also been prepared. Both reports are attached as appendices, and a representative from KPMG will present the reports to Committee.
- 1.4. The next backstop date by when an audit opinion on the 2024/25 Statement of Accounts should be given is 27 February 2026. The Council and KPMG are on track to meet this deadline.

## 2. Contribution to Strategic Aims

- 2.1. 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.

## 3. Environmental and Climate Implications

- 3.1. None Arising

**4. Community Engagement**

4.1. This report will include where appropriate any feedback from public inspection of accounts.

**5. Equality Implications**

5.1. None arising.

**6. Other Relevant Considerations**

6.1. There are none.

**7. Legal Implications**

7.1. 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”.

7.2. 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 of the Accounts.

**8. Financial Implications**

8.1. None arising.

**9. Timetable for Implementation**

9.1. Not Applicable.

**10. Background Papers**

10.1. There are none.

**Appendices**

1. Draft Auditor's Annual Report
2. Progress Report – Audit of 2024/25 Statement of Accounts