

**Meeting:** Audit Committee

**Date:** 8 September 2025

**Wards affected:** All

**Report Title:** Statement of Accounts 2024/25 – Update on Progress

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## 1. Key points and Summary

- 1.1 This report updates the Audit Committee on the progress made towards completion of the Statement of Accounts 2024/25 in preparation for the start of Grant Thornton's external audit work commencing in early October.
- 1.2 Under the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015, the Council were required to publish the draft Statement of Accounts for the year ended 31 March 2025 by 30 June which is the statutory deadline.
- 1.3 Due to a number of complex technical accounting issues, it was not possible to achieve this deadline, and a public notice was issued to this effect. To ensure enough time was available to produce a full set of draft accounts along with associated working papers, Council finance officers, in discussion with Grant Thornton, agreed a deadline for the completion of the accounts as the end of September, with the external audit commencing in the first week of October.
- 1.4 Draft accounts will be published on the Council's website at the end of September. The 30-day period of public inspection of the accounts will then begin.
- 1.5 The draft Statement of Accounts 2024/25 will be presented to Audit Committee on 29 October 2025. Torbay Council Finance Officers will facilitate an informal training session on the key components within the Statement of Accounts on 14 January 2026 in advance of presenting the final statements to the January Audit Committee.
- 1.6 This report sets out the progress to date made towards completing the draft Statement of Accounts for 2024/25.

## **2. Context**

- 2.1. The draft Statement of Accounts have been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) which is based on International Reporting Standards (IFRS). Consequently, they contain a significant number of highly technical accounting adjustments.
- 2.2. In its approach to closing the accounts for 2024/25 the Council has taken note of the recommendations made by Grant Thornton in both their 2021/22 and 2023/24 Audit Findings Reports. The Director of Finance and the Head of Corporate Finance have also sought external advice and support to compliment the Council's finance team to ensure the robustness and accuracy of financial reporting, along with compliance to existing and new accounting standards.
- 2.3. Progress to date includes,
- 2.4. Addressing the audit recommendations made in both Grant Thornton's Audit Findings Report for the 2021/22 and the 2023/24 accounts.
- 2.5. We have addressed the overall quality of the financial statements through a thorough review to ensure all Statements and notes are compliant with the Code. Accounting policies have been fully reviewed and revised where required. Notes accompanying the accounts have been updated to provide greater understanding for the reader.
- 2.6. All balances brought forward as at 1 April 2024 have been corrected in line with Grant Thornton's report. These have been fully reconciled to the financial ledger. All primary statements and the notes accompanying them have been reconciled to the financial ledger or appropriate source documents.
- 2.7. A financial model has been developed to generate the primary accounting statements (the Comprehensive Income & Expenditure Statement, the Movement on Reserves Statement and the Balance Sheet) with the minimum of manual intervention.
- 2.8. IFRS 16 - the new accounting standard IFRS 16 Leases, was adopted on 1st April 2024 by Local Government. The Council have reviewed its leases along with those of its subsidiary companies and made the necessary adjustments in the accounts.
- 2.9. The full set of accounts along with all working papers will be available for audit at the beginning of October in line with the deadline agreed with Grant Thornton.