

Meeting: Audit Committee

Date: 29 October 2025

Wards affected: All

Report Title: Draft Statement of Accounts 2024/25

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1. Key points and Summary

- 1.1 This report presents the draft, unaudited, Statement of Accounts for 2024/25 to Audit Committee for noting and commenting as appropriate.
- 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 As explained to Members at the September meeting, 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.
- 1.4 Most of these issues have now been resolved, with a few technical adjustments outstanding. The intention is to publish the accounts on the Council's website during the first week of November. The public inspection of the accounts will also begin then.
- 1.5 The audit of the accounts started at the beginning of October and good progress is being made. Grant Thornton will provide a verbal update at this meeting. 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, audited statements to the January Audit Committee.

2. Recommendation (s) / Proposed Decision

The audit committee is recommended to:

- To note and comment on the unaudited 2024/25 Statement of Accounts

Appendices

Appendix 1: Torbay Council 2024/25 Draft (Unaudited) Statement of Accounts

3. Statement of Accounts

- 3.1. 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 Financial Reporting Standards (IFRS) which attempts to facilitate the production of accounts in a standardised and consistent format across the public and private sectors giving greater transparency and comparability for stakeholders. Consequently, the accounts contain a significant number of highly technical accounting adjustments.
- 3.2. The accounting practices are set out in the Code of Practice and any additional CIPFA guidance such as the year end Final Accounts Bulletins. These accounts have been prepared adhering to these requirements.
- 3.3. 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. An action plan to address these issues was brought to Audit Committee in March 2025. Management outlined actions to be taken to address the issues raised by Grant Thornton. Many of these are now in place, with those outstanding to be actioned prior to the completion of the external audit.
- 3.4. An update on the action plan and how the issues have been addressed will be brought to the January 2026 meeting. Furthermore, the Director of Finance and the Head of Corporate Finance have engaged 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.

4. Publication of Accounts

- 4.1. As mentioned in the key points and summary section of this report, it is intended to publish the 2024/25 unaudited accounts on the Council's website during the first week of November at which point the public inspection period will commence.
- 4.2. Members of the public and other interested parties then have 30 working days to request access to documents relating to the financial statements for 2024/25 and related notes. Requests for information are subject to restrictions around commercial confidentiality and the protection of personal information.
- 4.3. During the same period a local elector may also raise questions relating to the accounts with the External Auditor.
- 4.4. A notice setting out the rights to public inspection of the accounts along with relevant contact details will be published on the Council's website at the commencement of the public inspection period. The audit of the accounts began earlier this month, a verbal update on progress with the audit will be presented by Grant Thornton at this meeting.

5. 2024/25 Accounts – Significant Change

- 5.1. There was one significant change to accounting policies impacting on the 2024/25 Statements. This was the introduction of IFRS 16 leases with effect from 1st April 2024. The Council, along with an external advisor have reviewed its leases along with those of its subsidiary companies and are in the process of making final adjustments to the accounts to ensure compliance with the standard.