Rotherham Metropolitan Borough Council

Public Report
Audit Committee

Committee Name and Date of Committee Meeting
Audit Committee – 24 November 2026

Report Title
Audited Statement of Accounts 2025/26

Is this a Key Decision and has it been included on the Forward Plan?
No

Strategic Director Approving Submission of the Report
Judith Badger, Executive Director of Corporate Services

Report Author(s)
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Ward(s) Affected
Borough-Wide

Report Summary

Under the Accounts and Audit (amendment) Regulations 2024, Local Authorities were required to publish their unaudited accounts no later than 30th June 2026, for the financial year 2025/26, accompanied by a Narrative Report and draft Annual Governance Statement. The deadline for the publication of final audited accounts is 31st January 2027.

The Council presented draft unaudited accounts to Audit Committee on the 16th June 2026 and published those accounts before the 30th June 2026 deadline.

The audit of the Council's accounts is now nearing completion and Grant Thornton will present to Audit Committee their ISA 260 report along with recommendations from the audit. The ISA 260 report sets out Grant Thornton's overall conclusions from the 2025/26 audit in relation to their statutory objectives to give an opinion on the Council's financial statements.

Members are asked to consider Grant Thornton's findings, as set out in the ISA260 Report (Appendix 4), before formally approving the 2025/26 Audited Statement of Accounts (Appendix 1) and the 2025/26 Narrative Report (Appendix 2) for publication as final and to issue Grant Thornton with the Letter of Management Representations (attached as Appendix 3) which Grant Thornton require to complete their audit.

Members will note that Grant Thornton intend to issue an unqualified opinion on the Statement of Accounts, subject to formal completion of their audit.

Grant Thornton have also concluded their Value for Money work and set out their findings and recommendations in the Auditor's Annual Report for the year ending 31st March 2026 (presented separately on the agenda of this meeting).

Recommendations

1. That Audit Committee, having taken due regard to the external audit findings, detailed within the ISA 260 report, formally approve the 2025/26 Audited Statement of Accounts attached as Appendix 1 for publication as final and the 2025/26 Narrative Report attached as Appendix 2 for publication as final.

List of Appendices Included

Appendix 1 – 2025/26 Audited Statement of Accounts
Appendix 2 – 2025/26 Narrative Report
Appendix 3 – 2025/26 Letter of Management Representations
Appendix 4 – ISA 260

Background Papers
CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26
Accounts and Audit (amendment) Regulations 2024
Publication of unaudited Statement of Accounts 2025/26, Audit Committee meeting, 16th June 2025

Consideration by any other Council Committee, Scrutiny or Advisory Panel
No

Council Approval Required
No

Exempt from the Press and Public
No

Closure of the Accounts 2025/26

1. Background

1.1 Under the Accounts and Audit (amendment) Regulations 2024, local authorities were required to publish their unaudited accounts no later than 30th June 2026, for the financial year 2025/26, accompanied by a Narrative Report and draft Annual Governance Statement. The deadline for the final publication of the Council's audited accounts is 31st January 2027.

1.2 The Council presented draft accounts to Audit Committee on the 16th June 2026 and published those accounts before the 30th June 2026 deadline. The audit of the Councils accounts is now nearing completion and Grant Thornton will present to Audit Committee their ISA 260 report along with any recommendations from the audit.

2. Key Issues

2.1 The final ISA 260 has been issued to the Council and Grant Thornton have indicated they intend to issue an unqualified opinion on the Statement of Accounts.

2.2 In the ISA 260 a number of changes have been recommended by Grant Thornton and accepted by the Council, with adjustments made to the Council's accounts.

2.3 The Council's Recovery Grant of £8.8m had been recognised as a ring-fenced grant. However, the determination letter from Ministry of Housing, Communities and Local Government confirms that this is an un-ringfenced grant. This should have been credited to Taxation and Non-specific income within the Statement of Accounts.

2.4 During the financial year work was completed at the new café and entertainment space at Rother Valley Country Park. This asset was classified as an investment property within the Council's asset register. The work that took place was primarily completed to regenerate this site and provide an enhanced facility for the local community; this categorisation was not compliant with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26. This asset has therefore been reclassified as 'Other Land and Buildings' within the Council's asset register.

2.5 In addition, there are a number of minor corrections and presentational changes that have been agreed to a number of disclosure notes included in the statement of accounts. These changes are outlined in detail in the ISA260 report but are minor changes to correct errors in the notes and to add greater clarification to some of the notes to aid the reader of the accounts.

2.6 Grant Thornton's work has not identified any issues that would change their assessment of the risk of fraud in revenue recognition. They have gained assurance that Council revenue is fairly stated.

2.7 Grant Thornton have gained assurance that Council expenditure is fairly stated and there are no matters to report in respect of the Council's expenditure recognition.

2.8 The Council has fully engaged with the external audit and endeavoured to respond to issues as quickly and efficiently as possible.

2.9 The ISA 260 Report outlines any issues that Grant Thornton have found with regards to areas of significant audit risk, their opinion as to whether reasonable professional judgement has been exercised and provides recommendations for further improvements in the production of the accounts.

2.10 As is always the case officers have also continued to review the Council's statement of accounts as they responded to external audit queries. As a result of this officers have identified some minor errors and made adjustments to the Council's accounts where required. For example, officers have now credited to Taxation and Non-specific income within the Statement of Accounts the Employers National Insurance grant and have made a correction to expenditure funded from the Dedicated Schools Grant (DSG) to ensure that the Council is able to comply with the grant terms and conditions. This adjustment to DSG was as a result of a post balance sheet event.

3. Options considered and recommended proposal

3.1 There is no discretion on whether to comply with the Code of Practice on Local Authority Accounting or the Accounts and Audit (amendment) Regulations 2024. The purpose of the recommendations is for Audit Committee to meet its responsibilities in relation to the closure of the accounts.

4. Consultation on proposal

4.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the financial statements being prepared.

5. Timetable and Accountability for Implementing this Decision

5.1 The statutory deadline for publishing the audited financial statements is 31st January 2027.

6. Financial and Procurement Advice and Implications

6.1 There are no financial or procurement implications directly associated with this report, other than continuing to produce good quality financial statements and supporting working papers which meet Grant Thornton's expectations and will help to minimise the audit fee.

7. Legal Advice and Implications

7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit (amendment) Regulations 2024.

8. Human Resources Advice and Implications

8.1 There are no Human Resource implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

10. Equalities and Human Rights Advice and Implications

10.1 There are no implications arising from this report to Equalities and Human Rights.

11. Implications for CO2 Emissions and Climate Change

11.1 No direct implications.

12. Implications for Partners

12.1 There are no other implications arising from this report to Partners.

13. Risks and Mitigation

13.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

14. Accountable Officer(s)

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