	Governance and Audit Committee
	Tuesday, 25th November 2025

Subject:	**Report to those charged with Governance - EXTERNAL AUDIT COMPLETION REPORT - ISA 260**

Report by:	Presented by: Debra Chamberlain, Director, KPMG LLP (UK)
Contact Officer:	Sue Leversedge Financial Services Manager sue.leversedge@west-lindsey.gov.uk Comie Campbell Finance Consultant comie.cmpbell@west-lindsey.gov.uk
Purpose / Summary:	To present to those charged with governance, the External Audit report on the quality of the Statement of Accounts and Annual Governance Statement 2024/25.

RECOMMENDATION(S):

1. That members accept the content of this report.

IMPLICATIONS

Legal: None from this report

Financial : FIN/104/26/MT/CC

Our External Auditor, KPMG has been appointed from 1 April 2024 as part of the Public Sector Audit Appointments (PSAA) contract awards.

The fee for the audit was £146,642 for 2024/25.

Staffing : None from this report

Equality and Diversity including Human Rights :

None from this report

Data Protection Implications: None

Data is shared for audit purposes

Climate Related Risks and Opportunities:

None from this report

Section 17 Crime and Disorder Considerations:

None from this report

Health Implications:

None from this report

Title and Location of any Background Papers used in the preparation of this report:

Risk Assessment :

None from this report

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	**Yes**		**No**	**X**

Key Decision:

A matter which affects two or more wards, or has significant financial implications	**Yes**	**x**	**No**	

1. Background

1.1 The Report to those charged with Governance is attached at Appendix A which shows an unqualified audit opinion on the 2024/25 Statement of Accounts.

1.2 There were two material misstatements identified during the audit that have now been corrected by officers. These are as follows: -

- Classification adjustment to correctly classify balance from short-term deposit to cash at bank. Amount of adjustment £500k.

- Classification adjustments to correctly classify accrued interest on short term investments from cash and cash equivalents to trade and other receivables. Amount of adjustment £98.6k.

1.3 There were a further two misstatements identified that were not required to corrected in the accounts. These are as follows: -

- Two sites and one property recorded as non specialised land and buildings and valued at year end using EUV methodology. Classification should have been investment properties and valued on FV basis, given that a material difference on valuation was not anticipated no adjustment was required.
- An unadjusted prepaid expenditure balance for expense amount during the year of £3.6k, due to sampling extrapolation across the untested population was required resulting in a projected understatement of £323k. No adjustment was required.

1.4 There were also a small number of presentational changes to the Statement of Accounts.

1.5 The report will be presented by Debra Chamberlain, Director, KPMG LLP (UK).