

EXTERNAL AUDIT UPDATE - 2025-26 AUDIT PLAN

Head of Service:	Cagdas Canbolat, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)
Report Author	Sue Emmons, Chief Accountant
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – External Audit Plan 2025/26 Appendix 2 – Enquiries of Management

Summary

This report presents the External Audit Plan for 2025/26.

Recommendation (s)

The Committee is asked to:

- (1) Receive and note the External Audit Plan for 2025/26 as set out in Appendix 1 and acknowledge that the S151 Officer is satisfied with the details of the scope of the audit.**
- (2) Receive and note the enquiries of management document as set out in Appendix 2.**

1 Reason for Recommendation

- 1.1 The annual audit is an integral part of the controls in place for ensuring that the Council achieves its key priority of being an Effective Council.

2 Background

- 2.1 Grant Thornton provides the Council's external audit work. The 2024/25 external audit provided the Council with an unqualified (favourable) opinion on the accounts. Audit and Scrutiny Committee received Grant Thornton's 2024/25 Annual Auditors' Report in February 2026.
- 2.2 The Council is due to publish its unaudited 2025/26 Statement of Accounts by 30 June 2026.
- 2.3 LG Improve have released a table showing the number of local authorities who have published 2024/25 audited accounts. This is shown below:

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		2023/24				2024/25			
		Not published	Draft	Final	Disclaimer	Not Published	Draft	Final	Disclaimer
ILB		0	0	8	4	0	0	8	4
OLB		0	0	3	17	0	0	3	17
Met		0	1	19	16	0	3	18	15
Unitary		0	3	25	34	0	6	25	31
County		0	0	11	10	0	3	9	9
Upper Tier		0	4	66	81	0	12	63	76
Districts		0	9	53	102	1	17	51	95
Total England		0	13	119	183	1	29	114	171

Information as at 27 February 2026.

The table shows that whilst the majority of local authorities have published their final 2024/25 accounts, 60% of those have disclaimed accounts. Epsom & Ewell sit within the 40% with an unqualified (favourable) opinion.

3 Proposals

- 3.1 Grant Thornton has prepared an audit plan for the 2025/26 Statement of Accounts as shown in Appendix 1.
- 3.2 The plan outlines the key risks and requirements for 2025/26 and will be presented by a senior officer from Grant Thornton, who will be available at the meeting to answer any questions from Members.
- 3.3 Officers are satisfied that the audit plan addresses the key financial and governance issues.
- 3.4 The Committee is asked to receive the External Audit Plan for 2025/26 (Appendix 1).
- 3.5 As the sector moves to address the audit backlog that developed after the pandemic, the dates for publishing draft accounts and completing audits have been moved to earlier deadlines for the 2025/26 accounts. Grant Thornton therefore expects to undertake the 2025/26 audit between July and November 2026, with the final audit report to be presented to Audit & Scrutiny Committee in November 2026.
- 3.6 Grant Thornton will undertake the external audit in accordance with International Standards on Auditing (ISAs). Under ISA240 guidance, Grant Thornton submitted a number of audit queries to management, to inform its risk assessment for the audit. The management responses to these questions are detailed in appendix 2.

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4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 None arising from the contents of this report.

4.2 Crime & Disorder

4.2.1 None arising from the contents of this report.

4.3 Safeguarding

4.3.1 None arising from the contents of this report.

4.4 Dependencies

4.4.1 None arising from the contents of this report.

4.5 Other

4.5.1 The audit of the Council's financial statements comprise a key element of the Council's governance arrangements.

5 Financial Implications

5.1 The main audit fee for the 2024/25 Statement of Accounts was £183,172, (£172,455 in 2023/24) and the 2025/26 audit scale fee is expected to be £174,679 which has been fully budgeted.

5.2 **Section 151 Officer's comments:** The Council received an unqualified (favourable) opinion on its Statement of Accounts from the external auditor for 2024/25. The External Audit Plan for 2025/26 forms part of the external audit process and a necessary requirement to ensure auditors have a schedule plan to assess council accounts and express an opinion.

6 Legal Implications

6.1 The Local Audit and Accountability Act 2014 sets out the framework for audit of local authorities. Grant Thornton's work is undertaken in the context of the Statement of Responsibilities of Auditors and Audit Bodies issued by the Comptroller and Auditor General.

6.2 **Legal Officer's comments:** None arising from the contents of this report.

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council.

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7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** No specific implications.

7.4 **Sustainability Policy & Community Safety Implications:** No specific implications.

7.5 **Partnerships:** No specific implications.

7.6 **Local Government Reorganisation Implications:** No specific implications.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- [External Audit Update](#) - Audit & Scrutiny Committee, 5 February 2026.

Other papers:

- None.