

Royal Berkshire Fire Authority

Audit progress report and sector updates

January 2025



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Introduction



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This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government | Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



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Progress as at January 2026

Financial Statements Audit

In our audit findings report dated 20 October 2025 we set out that our proposed audit opinion would be disclaimed on the basis of opening balances and includes a qualification in respect of building revaluations in the prior period.

This was subject to the following outstanding matters:

- Finalising our procedures on collection fund debtors and creditors;
- Receipt of IAS19 letter from the pension fund auditors;
- final manager and EL quality reviews on work completed;
- receipt and review of the final set of financial statements;
- updating our subsequent events review; and
- receipt of management representation letter {separate agenda item}.

We are pleased to report that the only matter that remains outstanding is:

- Receipt of IAS19 letter from the pension fund auditors.

This letter has been delayed and is now expected in late January 2026.

Once received we will issue our audit report and begin planning for the 2025/26 audit.

Value for Money

Our value for money work is complete, and our Auditors Annual Report was presented at the October Audit and Governance Committee. There has been no change to the status of this work since this date. We will circulate our final report on signing of our audit report.

Events

We plan to hold a webinar for members of [Audit Committees on 10th February 2026](#). We will be discussing best steps to take “After the Backstop”, including:

- ❖ Adding value to the financial reporting function; and
- ❖ How to navigate the external audit process with success.

Meetings

We continue to liaise and support the Authority by discussing emerging accounting and business developments.

Audit Deliverables

Below are some of the audit deliverables planned for 2024/25

2024/25 Deliverables	Planned Date*	Status
Audit Plan We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2024/25 financial statements.	March 2025	Complete
Audit Findings Report The Audit Findings Report will be reported to the Audit and Governance Committee.	October 2025	Complete
Auditor's Report This includes the opinion on your financial statements.	October 2025	Outstanding (see page 5)
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	October 2025	Complete

Sector Updates

After the Backstop: Reset, recovery and reform in the audit of local authority accounts

- ❖ Our latest thought leadership report ‘After the Backstop: Reset, recovery and reform in the audit of local authority accounts’ is now available to read.
- ❖ Following the significant milestone of backstop legislation in September 2024, the backlog of unissued accounts has fallen dramatically. The challenge now is to rebuild assurance and secure a sustainable future for the system of local accounts production and audit. The reforms set out in the English Devolution and Community Empowerment Bill are essential to restoring trust and accountability to the local audit system.
- ❖ In our March 2023 publication ‘About time?’ we explored the reasons for delayed publication of audited local authority accounts and set out our recommendations for key stakeholders in the local audit system.
- ❖ The backlog of unissued audit opinions peaked some months after our report at 918, on 30 September 2023. The Department for Levelling Up, Housing and Communities (DLUHC) and subsequently the Ministry of Housing, Communities and Local Government (MHCLG) conducted consultations on reset and reform in the local audit system, leading to secondary ‘backstop’ legislation to clear the backlog. This was a necessary step, allowing auditors and authorities to focus on current periods of account, but it brought with it new challenges, as over 200 authorities received one or more audit disclaimers .
- ❖ In this report we explore the development and implementation of a ‘reset’ of the local audit system, the immediate and longer-term consequences of the ‘backstop’ before turning attention to the reform of the system, the challenges involved in returning to widespread and sustainable compliance with audit reporting timeframes and what, in our view, is needed next.
- ❖ The English Devolution and Community Empowerment Bill paves the way for the creation of a long-awaited and much-needed systems leader for local audit, the Local Audit Office (LAO).

- ❖ Key stakeholders including local audited bodies, the audit firms, the Ministry of Housing, Communities and Local Government (MHCLG), Public Sector Audit Appointments (PSAA), the National Audit Office (NAO), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Chartered Accountants in England and Wales (ICAEW) will need to support the successful establishment of the LAO to address the crisis in local public audit.
- ❖ All key stakeholders in the local audit system will need to continue their efforts to secure a return to high levels of compliance with timely publication of accounts with unmodified audit opinions. We explore the challenges to establishing and maintaining a sustainable future for local audit in this report. In our full report, we make several recommendations to secure that sustainable future.

The full report is available here:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)



Future Webinar for Audit Committee members



We plan to hold a webinar for members of Audit Committees on 10th February 2026. Invitations will be available shortly on our website or can be obtained from your Engagement Lead or Audit Manager.

We will be hearing from two external speakers on best steps to take “After the Backstop”. With them, we will be discussing:

- ❖ Adding value to the financial reporting function; and
- ❖ How to navigate the external audit process with success.

We will also be covering latest developments in proposed reforms to the audit framework; updates on the new Local Audit Office; and what best to focus on while waiting for new audit arrangements to be finalised.

Join us to welcome-in 2026 and to plan good habits for the financial years ahead.

We look forward to seeing you.

Annual Local Government Accounts Webinar

We hold annual local government accounts webinars to help preparers meet their statutory deadlines and work effectively with auditors. We plan to host the next webinars on Thursday 5th February and Wednesday 11th February 2026 from 10.00am until 3.00pm.

Invitations will be available shortly on our website or can be obtained from your Engagement Lead or Audit Manager.

Specific aspects of the webinars will include:

- ❖ Practical considerations for working effectively with your auditors in shortening timescales, and reminders of what good supporting analysis and evidence looks like;
- ❖ Lessons from the implementation of IFRS 16, with good practice tips for Year Two;
- ❖ Avoiding pitfalls in financial instruments;
- ❖ Other common accounting and disclosure issues;
- ❖ The use of indexation for property, plant and equipment for 2025/26; and
- ❖ Revised statutory guidance affecting Minimum Revenue Provision.

It is critical to plan for the audit process as early as possible; and helpful to think ahead about how you can prepare. Your audit team can provide tools to ensure that key areas are considered before your audit is underway:

- ❖ Accounts consistency checker – to help local government bodies check consistency of key accounting entries and disclosures within the financial statements, and identify any anomalies to address before publishing draft statements of accounts; and
- ❖ Financial reporting issues checklist – covering the most frequent issues arising from our reviews of local authority financial statements and setting out questions to help local government bodies with their own quality checks as they prepare financial statements.





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