

# AUDIT AND GOVERNANCE COMMITTEE



Report subject	<b>External Auditor – Audit Progress &amp; Sector Update</b>
Meeting date	15 January 2026
Status	Public Report
Executive summary	<p>Grant Thornton, as the Council's appointed External Auditors, have produced a report (Appendix A) which provides an update to Audit &amp; Governance Committee on their progress to date in delivering their responsibilities.</p> <p>The report includes an update on their audit work. Key points of note are:</p> <ul style="list-style-type: none"> <li>• <b>Financial Statements Audit 2024/25</b> <ul style="list-style-type: none"> <li>○ Work on the financial statement audit is nearly complete.</li> <li>○ The audit findings report is being reported to the Audit &amp; Governance Committee alongside this progress report.</li> <li>○ The value for money audit is complete and was included in the interim annual auditor report (AAR) presented to this committee in Nov 2025.</li> <li>○ The AAR report will be updated to include key financial statement audit findings and then issued in final form.</li> </ul> </li> <li>• <b>Financial Statements Audit 2025/26</b> <ul style="list-style-type: none"> <li>○ Plan to undertake planning and early testing prior to the year end to support an earlier completion.</li> <li>○ In order to prepare for the backstop moving forward over the next two years, plan to finalise the 2025/26 audit by November 2026.</li> </ul> </li> </ul> <p>The report also includes a summary of emerging national issues and developments that may be relevant to the Council.</p>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <p><b>Audit &amp; Governance Committee notes the External Auditor's progress to date in delivering their responsibilities and the sector update provided.</b></p>
Reason for recommendations	<p>To update Audit &amp; Governance Committee on the External Auditor's progress to date in delivering their responsibilities.</p> <p>To advise Audit &amp; Governance Committee of emerging national issues and developments that maybe relevant to the Council.</p>
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance

Corporate Director	Aidan Dunn, Chief Executive
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Wards	Council-wide
Classification	For Information

## Background

1. Grant Thornton are the appointed External Auditors for Bournemouth, Christchurch and Poole Council.
2. Grant Thornton, as the Council's External Auditors, have a responsibility to provide regular updates to those charged with governance (Audit & Governance Committee) on progress made in delivering their responsibilities.

## External Audit Progress Report

### Progress as at January 2026

3. The attached report (Appendix A) details progress made by Grant Thornton in delivering their responsibilities as external auditors.
4. The report includes an update on the following areas for their work, in summary:
  - **Financial Statements Audit 2024/25**
    - Work on the financial statement audit is nearly complete.
    - The audit findings report is being reported to the Audit & Governance Committee alongside this progress report.
    - The value for money audit is complete and was included in the interim annual auditor report (AAR) presented to this committee in Nov 2025.
    - The AAR report will be updated to include key financial statement audit findings and then issued in final form.
  - **Financial Statements Audit 2025/26**
    - Plan to undertake planning and early testing prior to the year end to support an earlier completion.
    - In order to prepare for the backstop moving forward over the next two years, plan to finalise the 2025/26 audit by November 2026.

### Sector Updates

5. The report also includes a summary of emerging national issues and developments that may be relevant to the Council (as a local authority) which includes:
  - After the Backstop: Reset, recovery and reform in the audit of local authority accounts
  - Changes at the top, but no sudden twists and turns
  - Autumn Budget 2025
  - Local Government support and value
  - Fair Funding Review

- Local government reorganisation – latest developments
- Preventative spending
- Performance Trackers 2025
- The Covid-19 Inquiry
- Special educational needs and disabilities (SEND)
- The Renter's Rights Act
- Proposed new duty of candour and standards regime
- Business cases for net zero
- Healthy environments for resilient towns
- Annual Local Government Accounts Webinar (for accounts preparers)

Webinar for Audit Committee members

6. A webinar for members of Audit Committees is planned for the 10 February 2026 covering the best steps to take “after the Backstop” and will discuss:
  - Adding value to the financial reporting function; and
  - How to navigate the external audit process with success.

In addition, 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 will also be covered.

7. Invitations are available via the Grant Thornton website or Audit Manager.

**Options Appraisal**

8. An options appraisal is not applicable for this report.

**Summary of financial implications**

9. The proposed 2024/25 BCP Council Audit fee is £469,068.

**Summary of legal implications**

10. There are no direct legal implications from this report.

**Summary of human resources implications**

11. There are no direct human resources implications from this report.

**Summary of sustainability impact**

12. There are no sustainability impact implications from this report.

**Summary of public health implications**

13. There are public health implications from this report.

**Summary of equality implications**

14. There are no direct equality implications from this report.

**Summary of risk assessment**

15. There are no risk implications from this information report.

**Background papers**

None

**Appendices**

Appendix A – Grant Thornton – BCP Council Audit Progress Report and Sector Updates