

AUDIT AND GOVERNANCE COMMITTEE



Report subject	External Auditor – Audit Progress & Sector Update
Meeting date	28 May 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 the Audit & Governance Committee on their progress to date in delivering their responsibilities.</p> <p>The report provides an update on their audit work. Key points of note are:</p> <p>Financial Statements Audit 2025/26</p> <ul style="list-style-type: none"> • The planning and risk assessment for the 2025/26 audit was completed between February and April 2026, with the resulting Audit Plan approved by the Audit & Governance Committee on 19 March 2026. • Planning work covered the design effectiveness of key systems and processes, identification of audit risks, and early testing in areas such as operating expenditure and fees and charges income. • Audit fieldwork is scheduled to begin in late June 2026, subject to the draft financial statements being published. • A draft timeline and detailed workplan were shared with the Council on 30 April 2026, demonstrating how the 30 November 2026 deadline is expected to be met. • Given the disclaimed opinion since the 2022/23 audit backstop, discussions have begun with the Council on restoring assurance and progressing towards an unqualified audit opinion. <p>Value for Money Work</p> <ul style="list-style-type: none"> • The audit assesses whether the Council has proper arrangements to secure economy, efficiency and effectiveness, as required by the 2020 Code of Audit Practice. • Work is structured around three areas: financial sustainability, governance, and improving value for money. • Findings will be reported to the Audit & Governance Committee in the interim Auditor’s Annual Report in November. <p>The proposed audit fee for 2025/26 totals £503,951, made up of a £482,201 scale fee and £21,750 of additional fees.</p> <p>The report also includes a summary of emerging national issues and developments that may be relevant to the Council.</p>

Recommendations	It is RECOMMENDED that: Audit & Governance Committee notes the External Auditor's progress to date in delivering their responsibilities and the sector update provided.
Reason for recommendations	To update Audit & Governance Committee on the External Auditor's progress to date in delivering their responsibilities. To advise Audit & Governance Committee of emerging national issues and developments that maybe relevant to the Council.
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 May 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 2025/26

- The planning and risk assessment for the 2025/26 audit was completed between February and April 2026, with the resulting Audit Plan approved by the Audit & Governance Committee on 19 March 2026.
- Planning work covered the design effectiveness of key systems and processes, identification of audit risks, and early testing in areas such as operating expenditure and fees and charges income.
- Audit fieldwork is scheduled to begin in late June 2026, subject to the draft financial statements being published.

- A draft timeline and detailed workplan were shared with the Council on 30 April 2026, demonstrating how the 30 November 2026 deadline is expected to be met.
- Given the disclaimed opinion since the 2022/23 audit backstop, discussions have begun with the Council on restoring assurance and progressing towards an unqualified audit opinion.

Value for Money Work

- The audit assesses whether the Council has proper arrangements to secure economy, efficiency and effectiveness, as required by the 2020 Code of Audit Practice.
- Work is structured around three areas: financial sustainability, governance, and improving value for money.
- Findings will be reported to the Audit & Governance Committee in the interim Auditor's Annual Report in November.

Audit Fees 2025/26

5. The table below shows the proposed audit fee for 2025/26 following the publication of the scale fees by the Public Sector Audit Appointments.

	Audit Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
BCP Audit	469,068	482,201
Additional fee in respect of Housing Benefits testing	15,456	15,500
Additional fee in respect of new system implementation	25,480	-
Use of Auditors expert not included in scale fee	6,201	6,250
Additional fee for new accounting standards	17,162	-
Total (Exc. VAT)	533,367	503,951

Sector Updates

6. 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:
- Public Sector Finance Leaders' Barometer
 - CIPFA Code changes to the accounting for non-investment assets
 - Audit Readiness Training - Supporting high-quality 2025/26 accounts
 - Finance Settlement 2026/27 to 2028/29
 - SEND reform plans
 - Local Outcomes Framework
 - Local Government Reorganisation and Devolution Update
 - Transport connectivity
 - Maintaining local roads
 - Unlocking land for housing
 - The Crisis and Resilience Fund
 - Successful legacy planning for major events
 - After the Backstop: Reset, recovery and reform in the audit of local authority accounts

Options Appraisal

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

Summary of financial implications

8. The proposed 2025/26 BCP Council total audit fee is £503,951.

Summary of legal implications

9. There are no legal implications from this report.

Summary of human resources implications

10. There are no human resources implications from this report.

Summary of sustainability impact

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

Summary of public health implications

12. There are no public health implications from this report.

Summary of equality implications

13. There are no equality implications from this report.

Summary of risk assessment

14. 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