Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	22nd July 2026
Subject:	Draft Statement of Accounts 2025/26
Chief Officer:	Ian O'Donnell – Chief Operating Officer (S151 Officer)
Contact Officer:	Nick Penny – Director of Finance Corporate and Commercial
Ward(s):	All
Exempt:	No
Appendices:	2025/26 Draft Statement of Accounts SBC Statement of Accounts 2025/26

1. Summary and Recommendations

1.1 The draft Statement of Accounts for 2025/26 was published on Tuesday 30 June 2026, in line with the statutory deadline. Given Slough's recent challenges in publishing accounts, this represents a significant step forward.

Recommendations:

1.2 Audit and Corporate Governance Committee is recommended to:

(a) Note the publication of the draft 2025/26 Statement of Accounts (appended as Appendix 1) in line with the statutory deadline and the commencement of the 30-day public inspection period.

(b) Note that audit work commenced in July 2026 and will be completed in time for the accounts to be signed off by the final statutory audit backstop date of 31 January 2027.

Commissioner Review

The timely production of the draft unaudited accounts by 30 June 2026, represents a significant improvement in financial stewardship, regulatory compliance and journey towards rebuilding local audit assurance. While the statement is still due to undergo external audit in line with the backstop reset process to be concluded by the final statutory audit backstop date of 31 January 2027, the Councils has demonstrated its commitment to implementing the approved accounts production timetable and more recent improvement plan presented to this committee.

The external audit of the accounts and VFM review will demand cross-council engagement and relies on every directorate proactively meeting information requests and rectifying working papers and controls promptly, if weaknesses are identified.

The Council and the auditor must consider the time constraints in which they can perform the audit in line with a multi-year recovery period to rebuild audit assurance. Sufficient resourcing should be identified across both organisations to enable the auditors to obtain sufficient evidence to provide assurance over in year transactions and most, if not all closing balances in 2025/26.

Commissioners welcome this report.

2. Report

2.1 The Accounts and Audit Regulations 2015, as amended, set out the requirements for publication of statements of accounts. Slough has historically faced challenges in preparing and publishing its statements of accounts. However, extensive work over the past 24 months has enabled the Council to publish all backlog accounts, with the final backlog set for 2024/25 published in February 2026. This has put the Council back on track with the statutory timetable for accounts publication.

2.2 Over the four months from March to June 2026, work was undertaken to enable the 2025/26 draft Statement of Accounts to be published on time and to comply with the requirements of Reg 15 to allow the public inspection period to commence at the beginning of July. This is the first time Slough has achieved publication by the deadline since the 2018/19 draft Statement of Accounts.

2.3 It is important to note that the draft statement of accounts as well as reporting the council’s financial position also includes group accounts through consolidation of its entities. All entities have prepared their accounts and are subject to their own audit arrangements, therefore at this time the group consolidation includes draft accounts from its entities as described in the statement of accounts.

3 Background

3.1 The 2018/19 accounts received a disclaimed audit opinion, as the auditors determined that they were unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion of the prepared financial statements. Subsequent accounts to 2024/25 have also received a disclaimed audit opinion, as a consequence of the time constraints of the backstop accounts deadlines, meaning auditors have been unable to obtain sufficient appropriate audit evidence to state, in their opinion, whether the financial statements are properly put together and free from material errors. This is an important distinction from the 2018/19 opinion.

3.2 The 2024/25 statement of accounts was the first since 2018/19 that were subject to any audit review work. Due to delays in the preparation of these accounts, only 3-4 weeks’ worth of review work was possible. Following sign off by this committee and publication of the 2024/25 accounts in February 2026 work has been ongoing to enable 2025/26 draft statement of accounts to be published by the statutory deadline.

3.3 It was important that in advance of publishing sufficient time and resources were invested into the preparation of the 2025/26 draft accounts, as these are the first accounts subject to a full audit since 2018/19. Working papers were prepared in line with best practice and taking on board improvements from the independent EY assurance work undertaken in July and August 2025 as well as the audit work GT delivered in January 2026 reviewing the draft 2024/25 accounts.

3.4 To further ready the council for the upcoming audit process external sector experts were used to support the closure of the Collection Fund and Schools Accounts as well as separate expertise to review the overall statement of accounts and challenging individual notes including Group Accounts, Financial Instruments and Fixed Asset accounting.

3.5 A detailed timeline was prepared and monitored against on a weekly basis, team meetings were held to address challenges as they arose, and the overall timeline was complied with sufficient time for review and sign off by the Chief Operating Officer and the Best Value Commissioner.

3.6 The team are now ready to ensure working papers are provided in a timely manner to enable the audit to progress at pace, ensuring GT are able to review as much of the accounts as they can within the timeframe available.

4 Implications of the Recommendation

Financial implications

4.1 The cost of closing the 2025/26 statement of accounts has been managed within existing budgets with the external costs met from budget held from vacant posts.

Legal implications

4.2 Regulation 9A was inserted into the 2015 Regulations to provide that, for the financial year 2025/26 the final accounts and statements should be published by 31 January 2027.

4.3 The Committee's responsibility is set out in Article 9 of the Council's Constitution as follows:

Financial reporting

To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statement or from the audit that need to be brough to the attention of the Council.

To consider the external auditor's annual report to those charged with governance on issues arising from the audit of the accounts.

4.5 The Government's Best Value Guidance emphasises the importance of financial management and reporting being supported by robust financial systems, record keeping and quality assurance, with use of specialist expertise and independent assurance when needed. It cites an indicator of potential failure as late publication of unaudited and audited financial statements and a modified audit opinion that indicates significant financial reporting or financial management issues.

Risk management implications

4.4 Failure to publish the Statement of Accounts on time has had a significant reputational risk for the Council. There are inherent financial risks for financial sustainability arising from potential liabilities not recognised without adequate prior year’s audited accounts. The Council is now in a position to move forward towards a clean audit opinion working.

Environmental implications

4.5 There are no specific environmental implications of this report.

Equality implications

4.6 There are no specific environmental implications of this report.

Procurement implications

4.7 There are no specific environmental implications of this report.

Workforce implications

4.8 There are no specific environmental implications of this report.

5. Background documents

None