NORWICH
City Council

Committee name: Audit

Committee date: 21/10/2025

Report title: Annual External Audit Plan 2024/25 - addendum

Portfolio:	Councillor Harper, cabinet member for Finance and Major Projects
Report from:	Interim Director of Finance & S151 Officer
Wards:	All wards

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Purpose

This report presents an addendum to the annual external audit plan 2024/25.

Recommendation:

To note the additional appendix, Appendix B.

(Members noted the substantive report at the September 2025 meeting)

Policy framework

The council has five corporate priorities, which are:

- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich.
- An open and modern council. This report meets the “An open and modern council” corporate priority.

This report meets all the corporate priorities.

Report details

Introduction

1. This report is represented to Audit Committee following discussions by Committee at its September meeting. The report recommendation has already been noted but is included on the agenda to allow the item to be discussed with the Council's external auditor present.
2. The report sets out the addendum to the external auditors' proposed approach to their work for the audit of the accounts for the 2024/25 financial year. A copy of the addendum is shown at Appendix A.

Key points to note

3. EY's provisional approach to their work for the audit of the accounts for the 2024/25 financial year was presented to Committee on 13th May 2025. Since then at its meeting on 9th July 2025, Cabinet agreed to approve the recommendation received from the Lion Homes Shareholder Panel to undertake a Members Voluntary Liquidation of the company.
4. The purpose of the addendum is to highlight the additional audit risk and complexities impacting Group Accounting and Value for Money reporting.
5. Throughout the preparation of the Council's draft statement of accounts and the process for the Members Voluntary Liquidation of the Lion Homes, the Council's S.151 Officer and Finance team have been in regular discussions with EY to ensure they are fully briefed.
6. Page 7 of Appendix A details the additional key audits risk relating to Group Accounting. For both the financial sustainability risk and the Prior Period Adjustment (PPA) the Council has shared its planned accounting treatment with EY to gain a shared agreement prior to publication of the draft accounts.
7. Additionally, the Council has engaged Grant Thornton to assist with technical accounting advice on the appropriate disclosures in respect of impairments and PPA's.
8. Page 12 of Appendix A details the additional audit risk relating to Value for Money.

Implications

Financial and resources

Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2024-29 and budget.

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10. Any additional audit work could incur additional audit fees. The fees will be managed within the existing external audit budget and earmarked reserves.

Legal

11. The statutory timescale for the publication of the 2024/25 accounts is 30th June 2025. The Statement of Accounts must be signed and published with an audit opinion by 28th February 2026.

12. There are no other specific legal implications arising from this report.

Statutory Considerations

Consideration:	**Details of any implications and proposed measures to address:**
Equality and Diversity	None identified
Health, Social and Economic Impact	None identified
Crime and Disorder	None identified
Children and Adults Safeguarding	None identified
Environmental Impact	None identified

Risk Management

Include operational, financial, compliance, security, legal, political or reputational risks to the council

Risk	**Consequence**	**Controls Required**
Compliance, reputational risks associated with failure to publish audited accounts by statutory deadline	Ability to give confidence to users of the council's financial statements is reduced	Publication of information advising when accounts will be published and reasons for delays.

Other Options Considered

13. There are no alternative options to this report.

Reasons for the decision/recommendation

14. The committee is recommended to note the attached report from the council's external auditor which sets out an addendum to the approach and scope to the 2024/25 audit of the council's statement of accounts.

Background papers:

None

References:

None

Appendices:

Appendix A - EY External Audit Plan 2024/25 Addendum

Appendix B - Questions from Audit Committee - Agenda Item 6 – 24th September 2025

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