AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 27 October 2026

REPORT TITLE:	**2025/26 UNAUDITED STATEMENT OF ACCOUNTS**
REPORT OF:	**DIRECTOR OF FINANCE (S151 OFFICER)**

REPORT SUMMARY

This report presents the unaudited Statement of Accounts for 2025/26 to the Audit and Risk Management Committee.

The Statement of Accounts sets out the Council's financial position as at 31 March 2026 and summarises its income and expenditure for the year then ended. The unaudited Statement of Accounts was published on the Council's website by the statutory deadline of 30 June 2026.

This report explains the statutory purpose of the Council's annual Statement of Accounts and provides commentary on:

- the main Statements contained within the Accounts;
- the public inspection period;
- arrangements being made to implement an external audit of the full Accounts by the Council's appointed auditors;

This matter affects all Wards within the Borough. The report is not a key decision at this stage.

RECOMMENDATION

The Audit and Risk Management Committee is requested to note the unaudited Statement of Accounts for 2025/26.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION

1.1 The Audit & Risk Management Committee has responsibility for approving the Statement of Accounts on behalf of the Council, which is a requirement under the Accounts and Audit Regulations 2015. This review of the unaudited Accounts gives the Audit & Risk Management Committee an opportunity to look at the accounts and comment. The final, audited Statement of Accounts will be shared with Audit & Risk Management Committee when available following the completion of the external audit.

2.0 OTHER OPTIONS CONSIDERED

2.1 The Statement of Accounts are required to be produced in accordance with statutory guidance. The Accounts are subject to review by the appointed Auditor and must be published by 31 January 2027 for the 2025/26 financial year (shortening to 30 November 2027 for 2026/27 and subsequent years). There are no other options available as non-compliance would be in breach of the Accounts and Audit Regulations and a notice of delay would be required.

3.0 BACKGROUND INFORMATION

3.1 The annual Accounts and their purpose

3.1.1 The preparation and publication of the annual Statement of Accounts is a statutory requirement under local government legislation. The Council is required to comply with the prescribed timetable for the production and publication of the Accounts.

3.1.2 The preparation and publication of annual Accounts provides information that is intended to be of use to a range of stakeholders (including Members, employees, members of the public, government, and investors, etc.) in evaluating the financial performance of the Council and its stewardship of public money.

3.1.3 The annual Statement of Accounts is required to be compliant with the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Code of Practice on Local Authority Accounting for 2025/26 ("the Code") and applicable International Financial Reporting Standards (IFRSs). The Code establishes "proper" accounting practices under local government legislation to ensure local authority accounts are prepared consistently with the objective of providing a true and fair view of the authority's financial position, financial performance and cash flows for the year ended 31 March 2026. This report is intended to update Members on the draft, unaudited Accounts that have been made available for public inspection and external audit.

3.2 Publication of the Draft Unaudited Accounts

3.2.1 The unaudited accounts were completed in line with the deadline of 30 June 2026 and were published on the Council's website in line with that deadline. The accounts are appended to this report and are also available on the link below:

Annual accounts | www.wirral.gov.uk

3.3 **The Main Statements and Notes to the Accounts**

3.3.1 To assist understanding of the main statements and notes contained in the draft accounts, narrative is included in Appendix 3 for the following:

- Narrative Report
- Movement in Reserves Statement (MiRS)
- Comprehensive Income and Expenditure Statement
- Balance Sheet
- Cash Flow Statement
- Notes to the Core Financial Statements
- Collection Fund Statement
- Glossary
- Merseyside Pension Fund Accounts

3.3.2 Appendix 2 provides a summary of the Comprehensive Income and Expenditure Statement (CIES) and Balance Sheet. Since publication of the draft accounts, a number of presentational amendments and updates to the financial statements have been identified through the audit process and ongoing review of the Accounts. These changes will be incorporated within the final audited Statement of Accounts presented to the Audit and Risk Management Committee.

3.3.3 The deficit of £80.303m reported in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement differs from the balanced outturn position reported to Policy and Resources Committee on 10 June 2026. This is because the Statement of Accounts is prepared in accordance with the CIPFA Code of Practice and includes statutory accounting adjustments, such as unrealised gains and losses arising from the valuation of property and other assets, which do not impact on the Council's usable reserves or budget position. Consequently, it is not unusual for the accounting deficit reported in the Accounts to differ significantly from the reported outturn position. The balanced outturn position previously reported to Policy and Resources Committee remains unchanged.

3.4 **Public Inspection Period**

3.4.1 The public inspection of the accounts began on the 1 July 2026. Members of the public and other interested parties have thirty working days from that date (until 12 August 2026) to request access to documents relating to the financial statements for 2025/26 and related notes. Requests for information are subject to restrictions around commercial confidentiality and the protection of personal information. During the same period, a local elector may also raise questions relating to the accounts with the External Auditor. A notice setting out the rights to public inspection of the accounts along with relevant contact details was published on the Council's website, and is available on the following link:

Annual accounts | www.wirral.gov.uk

3.4.2 During the public inspection period, the Council received four requests for supporting documentation. Three requests have been responded to, with information provided where appropriate, although some information was withheld on the grounds of commercial confidentiality.

3.4.3 The fourth request was received towards the end of the inspection period and, due to the volume of documentation involved, work is ongoing to identify, collate and review the relevant information, including consideration of any exemptions from disclosure.

3.5 **Arrangements for External Audit**

3.5.1 Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they are required to comply with the relevant statutory requirements, namely the Local Audit and Accountability Act 2014.

3.5.2 Grant Thornton began their audit fieldwork in July and under local government legislation they are required to give their opinion on the Accounts, whether in their professional opinion a true and fair view is reported. The opinion can be "unqualified" (with no material objections) or "qualified" (with material objections).

3.5.3 At the end of the process, Grant Thornton will also issue an Audit Findings Report outlining the conclusions from their audit, which include lessons to be learned and suggested improvements to processes and procedures for the Council to consider.

3.5.4 Subject to satisfactory completion of the audit by Grant Thornton, The Audit Findings Report and audit opinions will be shared with members of Audit & Risk Management Committee at the next available meeting once the reports are available. The Committee will be requested to authorise the final Statement of Accounts for issue and publication at that meeting. The deadline for publication of the final accounts is 31 January 2027.

4.0 FINANCIAL IMPLICATIONS

4.1 None arising directly from this report. The outcome of the audit of the Statement of Accounts does however always have the potential to result in a change in the Council's financial position.

5.0 LEGAL IMPLICATIONS

5.1 None arising directly from this report for the Statement of Accounts.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 None arising directly from this report.

7.0 RELEVANT RISKS

7.1 None arising directly from this report. Potential failure of the Council to comply with the statutory requirement set out in the Accounts and Audit (England) Regulations 2015.

8.0 ENGAGEMENT/CONSULTATION

8.1 The draft unaudited Statement of Accounts for 2025/26 are subject to external audit.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 There are no equality implications arising specifically from this report. The files attached may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Interested stakeholders should contact shaunallen@wirral.gov.uk should these documents be required in an accessible format.

10.0 ENVIRONMENT, BIODIVERSITY AND CLIMATE CHANGE IMPLICATIONS

10.1 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The content and/or recommendations contained within this report have no direct implications for community wealth.

12.0 CRIME AND DISORDER IMPLICATIONS

12.1 The content and/or recommendations contained within this report have no direct implications for crime and disorder.

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APPENDICES

Appendix 1 – Wirral Council Unaudited Statement of Accounts 2025/26
Appendix 2 – Summary Statements and changes to accounts
Appendix 3 – Glossary of Terms

The PDF files attached may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact shaunallen@wirral.gov.uk if you would like this document in an accessible format.

BACKGROUND PAPERS

- The report has drawn upon a number of sources of information including the Unaudited Statement of accounts and supporting working papers and reports, plus published statutory guidance and legislation.
- CIPFA Code of Practice 2025/26.
- CIPFA Bulletin 23 and supplementary guidance.

TERMS OF REFERENCE

This report is being considered by the Audit and Risk Management Committee in accordance with Sections E, F and G of its Terms of Reference, Annual Statement of Accounts, External Audit and Merseyside Pension Fund.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee - External Audit Plan For Wirral Council 2025-26	24th June 2026
Audit & Risk Management Committee - External Audit Plan for Merseyside Pension Fund 2025-26	24th June 2026
Audit & Risk Management Committee - 2024/25 Statement Of Accounts For Wirral Council And Merseyside Pension Fund, Annual Audit Report, And Annual Governance Statement	19th February 2026
Audit & Risk Management Committee - Unaudited Statement of Accounts and Financial Management Code for 2024/25	2nd September 2025
Audit & Risk Management Committee - Wirral Council External Audit Plan and Update 2024-25	25th June 2025
Audit & Risk Management Committee - External Audit Plan Merseyside Pension Fund 2024-25	25th June 2025
Audit & Risk Management Committee - 2023-24 Statement Of Accounts For Wirral Council & Merseyside Pension Fund	28 January 2025
Audit & Risk Management Committee – 2023/24 External Annual Audit Report	28 January 2025
Audit & Risk Management Committee - Draft Statement of Accounts and draft Annual Governance Statement for 2023/24	31 July 2024
Audit & Risk Management Committee –Statement of	

Accounts for 2022/23 for Wirral Council & Merseyside PF, and Annual Governance Statement	12 December 2023