

Audit Findings (ISA 260) Report for Barnsley Metropolitan Borough Council (updated)

Year ended 31 March 2025

1 December 2025



Members of the Audit and Governance Committee
Barnsley Metropolitan Borough Council
PO Box 634
Barnsley , S70 9GG

Grant Thornton UK LLP
Landmark, St Paters Square
1, Oxford Street
Manchester M1 4PB
T +44(0)161 953 6382
www.grantthornton.co.uk

1 December 2025

Dear Members of the Audit and Governance Committee

Audit Findings for Barnsley Metropolitan Borough Council for the 31 March 2025

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed and agreed with management before presenting to Audit and Governance Committee meeting on 12 November.

As auditor, we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2024-.pdf \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2024-.pdf).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff of your Council, during our audit.

Michael Green

Director
For Grant Thornton UK LLP

Chartered Accountants

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1 Headlines and status of the audit

Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of Barnsley Metropolitan Borough Council (the ‘Authority’) and the preparation of the group and Authority's financial statements for the year ended 31 March 2025 for the attention of those charged with governance.

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the ‘Code’), we are required to report whether, in our opinion:

- the group and Authority's financial statements give a true and fair view of the financial position of the group and Authority and the group and Authority's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report) is materially consistent with the financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

Our audit work was conducted as planned from July through to November. Our findings are reported in sections 2 to 8 of this report. We have not identified any audit adjustments impacting on the Council's General fund outturn position and general fund usable reserves.

Our work identified non-material adjustments to primary financial statements alongside other disclosure and presentational audit adjustments. These adjustments are detailed at section seven.

There was one immaterial unadjusted misstatement which is also reported at section seven. We can confirm this has no impact (if corrected) to Council's General fund outturn position and general fund usable reserves.

We have raised six recommendations for management as a result of our work in the Action Plan at section seven and management has agreed on these recommendations. Our follow up of recommendations from the prior year are also detailed at section seven.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our work is now complete and we issued an unmodified opinion on the financial statements for the year ended 31 March 2025 on 1 December 2025.

Headlines

Value for money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance.

We have completed our VFM work, which is summarised at section 8 and our detailed commentary is set out in the separate Auditor's Annual Report, which was presented alongside this report to the Audit and Governance Committee on 12 November 2025. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Headlines

Statutory duties

The Local Audit and Accountability Act 2014 (the ‘Act’) also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of work required under the Code. We cannot formally conclude the audit and issue an audit certificate for Barnsley Metropolitan Borough Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until

- we have received confirmation from the National Audit Office that the group audit (Whole of Government Accounts) has been certified and therefore no further work is required to be undertaken in order to discharge the auditor’s duties in relation to consolidation returns under paragraph 2.11 of the Code of Audit Practice.

We are satisfied that this outstanding work does not have a material effect on the financial statements for the year ended 31 March 2025.

Significant matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

Headlines

National context – audit backlog

Government proposals around the backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- For years ended 31 March 2025 by 27 February 2026
- For years ended 31 March 2026 by 31 January 2027
- For years ended 31 March 2027 by 30 November 2027

The statutory instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Please note, as reported previously to the Audit and Governance Committee, this backstop regulations are not applicable to Barnsley Council as it's accounts have been audited and published without delays for the last seven years with unqualified audit opinions. This is a positive situations for the Council under these challenging national context.

Headlines

Implementation of IFRS 16

Implementation of IFRS 16 Leases became effective for local government bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Local government accounts webinars were provided for our local government audit entities during March, covering the accounting requirements of IFRS 16. Additionally, CIPFA has published specific guidance for local authority practitioners to support the transition and implementation on IFRS 16.

Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”

In the public sector the definition of a lease is expanded to include arrangements with nil consideration. This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires the right of use asset and lease liability to be recognised on the balance sheet by the lessee, except where:

- leases of low value assets
- short-term leases (less than 12 months).

This is a change from the previous requirements under IAS 17 where operating leases were charged to expenditure.

The principles of IFRS 16 also apply to the accounting for PFI liabilities.

The changes for lessor accounting are less significant, with leases still categorised as operating or finance leases, but some changes when an authority is an intermediate lessor, or where assets are leased out for little or no consideration.

Impact on the Authority

We have highlighted some changes that the Council had to undergo as a result of implementing this new accounting standard

- material impact on its financial statements recognising additional assets and liabilities
- additional accounting policies and disclosures were made in the financial statements
- application of judgment and estimation to identify and recognise right of use assets and liabilities
- related internal controls that required updating, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance; and
- identification of peppercorn rentals and recognising these as leases under IFRS 16 as appropriate

Our work in this area is reported at pages 26 and 27.

2 Group audit

Group audit

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The table below summarises our planned and final group scoping, status of work and findings on each component.

Component	Risk of material misstatement to the group	Scope per Audit Plan and Final	Auditor	Key Audit Partner Responsible	Status and findings
Barnsley MBC	Yes	Full scope audit under ISA(UK) performed by Grant Thornton UK (no changes to scoping from our audit plan dated 28 May 2025)	Grant Thornton UK - Group auditor	Michael Green	<p>Our planned procedures are now complete, and we have identified the following misstatements :</p> <ul style="list-style-type: none">• Right of Use Assets - Right of Use Vehicles, Plant, Furniture & Equipment was incorrectly stated as £8,729k where it should have been £5,668k. For context, this adjustment was identified within the parent accounts and subsequently amended within the group accounts. No IFRS16 assets are held by the subsidiaries.• Pension Asset - £972k relating to the parent company (BMBC) was omitted.• Berneslai Homes Pensions Reserve - PY value of -£471k was disclosed instead of -£422k which is the current year figure.• Difference between actuarial gains/losses on pension fund liability line in the group CIES of £4,834k and Note G of the group accounts which is £25,127k. This is because the BH homes figure of £20,293k was omitted from their single entity accounts, and the group CIES.• The group accounts did not include disclosures on Property Plant and Equipment (PPE). Considering this is a significantly material balance , a PPE note was added to group accounts for this year and prior year. <p>Management agreed to amend the accounts to correct these misstatements, and we have reported these at section 7.</p>

Group audit (continued)

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The table below summarises our planned and final group scoping, status of work and findings on each component.

Component	Risk of material misstatement to the group	Scope per Audit Plan and Final	Auditor	Key Audit Partner Responsible	Status and findings
Berneslai Homes Limited (BHL)	Yes, for valuation of net pension fund balance (see page 22)	(no changes to scoping from our audit plan dated 20 May 2025) Specific audit procedures. The BHL net pension fund liability is considered a significant risk at group level due to the significant estimation uncertainty of defined benefit pension liability valuation. See page 18 for our planned audit approach in relation to BHL pension fund valuation. In addition, we will consider the materiality of other consolidated year-end balances and income and expenditure amounts outside the group boundary, designing appropriate audit procedures in respect of these as appropriate. According to 2024-25 accounts, expenditure is the only material item outside the group.	Grant Thornton UK - Group auditor	Michael Green	Our planned procedures are now complete, and our findings are included at page 11 which are consolidation misstatements.
Penistone Grammar Trust (PGT)	Yes, for closing valuation of PGT land and buildings (see page 20)	(no changes to scoping from our audit plan dated 20 May 2025) Specific audit procedures. The PGT land and buildings valuation is considered a significant risk at group level due to the significant estimation uncertainty related to this area. See page 17 for our planned audit approach in relation to closing valuation of PGT land and buildings.	Grant Thornton UK - Group auditor	Michael Green	Our planned procedures are now complete, and our findings are included at page 11 which are consolidation misstatements.
Oakwell Community Assets Limited (OCAL)	Yes, for closing valuation of OCAL land and buildings (see page 20)	(no changes to scoping from our audit plan dated 20 May 2025) Specific audit procedures. Land and buildings valuation (Football stadium) is considered a significant risk at group level due to the significant estimation uncertainty related to the valuation as at 31 March 2025. See page 17 for our planned audit approach in relation to the valuation.	Grant Thornton UK - Group auditor	Michael Green	Our planned procedures are now complete, and our findings are included at page 11 which are consolidation misstatements.

3 Materiality

Our approach to materiality

As communicated in our Audit Plan dated 20 May 2025, we determined materiality at the planning stage as £14.98m for the consolidated financial statements based on 2% of prior year gross expenditure. At year-end, we have reconsidered planning materiality based on the draft consolidated financial statements. Materiality levels remain the same as reported in our audit plan.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined materiality at £14.98m based on professional judgement in the context of our knowledge of the Council, including consideration of factors such as prior year audit findings.
- We have used 2% of gross expenditure as the basis for determining materiality.
- We consider basing materiality on gross expenditure as the most appropriate criteria given stakeholders interest in the costs incurred by the Council in its provision of services.
- We set a benchmark percentage of 2% based on our assessment of the control environment at the Council, our understanding of the risks of misstatement to the financial statements and the low number and size of errors in prior year audits.
- The benchmark percentage has increased from 1.5% in the prior year in the prior year in recognition of our understanding and risk assessment as identified above and to reflect developments in materiality levels across the sector.

Component Performance materiality

- Where audit work on components is being performed using component materiality, this has been set at between £5.6m and £10.7m, with the component performance materiality used reflecting relative risk and size of that component to the group.
- Performance materiality has not been revised from that reported in the Audit Plan

Specific materiality

- Senior officer's remuneration – Due to the sensitive nature and public interest of this disclosure we have set a lower materiality of £20,000.

Reporting threshold

- We will report to you all misstatements identified in excess of £0.749m, in addition to any matters considered to be qualitatively material.

Our approach to materiality

A summary of our approach to determining materiality is set out below.

	Group (£)	Council (£)	Qualitative factors considered
Materiality for the financial statements	14,983,000	14,234,000	<p>We have determined materiality at 2% (PY : 1.5%) of total gross expenditure. We consider this as the most appropriate criteria given stakeholders interest in the Council's total provision of services.</p> <p>The minor change to the percentage from prior year from 1.5% to 2% was due to firm's own benchmarking with wider suppliers in public sector and concluding that based on local risk profiles the percentage can be increased to 2% from 2024-25 audit cycle. The engagement team considered this guidance and concluded that it is appropriate to increase the percentage to 2% for Council's 2024-25 audit.</p>
Performance materiality	11,237,000	10,676,000	Assessed to be 75% of financial statement materiality. This reflects the fact that the Council has a stable financial reporting team with a track record of preparing good quality financial statements, supporting working papers and engaging well throughout the audit process.
Reporting Threshold	7,49,000	712,000	This equates to 5% of materiality. This is our reporting threshold to the Audit and Governance Committee for any errors identified.
Specific materiality for senior officer remuneration			The senior officer remuneration disclosures in the Financial Statements have been identified as an area requiring specific materiality due to its sensitive nature due to public interest.
- Materiality			
- Performance Materiality	20,000	20,000	
	15,000	15,000	

4 Overview of significant and other risks identified

Overview of audit risks

The below table summarises the significant and other risks discussed in more detail on the subsequent pages.

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Other risks are, in the auditor’s judgement, those where the risk of material misstatement is lower than that for a significant risk, but they are nonetheless an area of focus for our audit.

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Findings
Risk 1 Management override of controls	Significant	↔	Yes, Potentially	Low	See Page 18
Risk 2 Risk of fraud in revenue (ISA 240) and expenditure recognition (Practice Note 10) – risks rebutted	Rebutted	Rebutted ↔	No	Low	See page 19
Risk 3 Closing valuation of land and buildings including Council Dwellings	Significant	↔	No	High Estimation Uncertainty	See Page 20
Risk 4 Valuation of pension fund net balance	Significant	↔	No	High Estimation Uncertainty	See Page 22
Risk 4 Implementation of IFRS 16	Other	↔	No	Medium	See Page 26

- ↑ Assessed risk increase since Audit Plan
- ↔ Assessed risk consistent with Audit Plan
- ↓ Assessed risk decrease since Audit Plan

Significant risks

Risk identified in our Audit Plan	Audit procedures performed and findings
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Authority faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our work, we have:</p> <ul style="list-style-type: none">• made inquiries of finance staff regarding their knowledge of potential instances of management override of controls• evaluated the design effectiveness of management controls over journals. This will include the controls management has in place to review journal postings• analysed the journals listing and determine the criteria for selecting high risk unusual journals This will include criteria relating to journals which have not been authorised• performed a risk-based interrogation of the financial ledger to identify any unusual and potentially fraudulent transactions for testing• tested unusual journals identified through the application of our risk-based approach for appropriateness and corroboration• gained an understanding of the accounting estimates and critical judgements applied and made by management and consider their reasonableness with regard to corroborative evidence• evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions• examined journals and manual entries made around the time of the preparation of the draft financial statements for appropriateness and corroboration• understood the ledger integration with relevant sources and sub-systems to identify how management may be able to intervene in the journals posting process and post fraudulent entries <p>In performing the procedures above, we identified a population of journals to test using data analytic software to analyse journal entries and to split large batch journals into smaller sets of transactions that support targeted testing based on specific risk criteria assessed by the audit team. These criteria included:</p> <ul style="list-style-type: none">• Year-end and Post year-end journals• Journals posted by senior management• Journals posted by few IT staff who have access to general ledger• Journals posted which are material in value• journals with blank/no descriptions <p>Application of these routines and supplementary procedures identified a total sample of 46 journals to test.</p> <p>Our audit work in this area is now complete and work has not identified any issues in respect of management override of controls. However, we have made one recommendation in relation to journals with no description – see section 7 for the Action Plan</p> <p>We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.</p> <p>Having assessed management judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management override of controls across the financial statements.</p>

Significant risks (continued)

Risks identified in our Audit Plan

Risk of fraud in revenue and expenditure recognition - rebutted

Revenue

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition
- opportunities to manipulate revenue recognition are very limited
- the culture and ethical frameworks of local authorities, including at the Council, mean that all forms of fraud are seen as unacceptable.

Expenditure

Whilst not a presumed significant risk we have had regard to Practice Note 10 (Audit of financial statements and regularity of public sector bodies in the United Kingdom). Having considered the nature of the expenditure streams at the Authority, we have determined that the risk of fraud arising from expenditure recognition can be rebutted, because:

- there is little incentive to manipulate expenditure for a Council where services are provided to the public through taxpayer's funds
- there is no significant immediate pressures on general fund reserves of the Council.

Audit procedures performed and findings

As part of our final accounts audit process, we have reconsidered our rebuttal of both revenue and expenditure recognition and consider the rebuttal is still remain appropriate. Notwithstanding that we have rebutted these risks, we have undertaken procedures to test revenue and expenditure as they are material to the financial statements audit.

As part of our audit work, we have:

Accounting policies and systems

- Evaluated the Council's accounting policies for recognition of income and expenditure for its material income and expenditure streams and compliance with the CIPFA Code
- Updated our understanding of the Council's business processes associated with accounting for income and expenditure.

Fees, Charges and other service income

- Agreed, on a sample basis, income and year end receivables from other income supporting evidence.

Taxation and non-specific grant income

- Income for national non-domestic rates and council tax is predictable and therefore we conducted substantive analytical procedures
- For other grants we sample tested items for supporting evidence and checked the appropriateness of the accounting treatment was in line with the CIPFA Code.

Expenditure

- Agreed, on a sample basis, non-pay expenditure and year end payables to supporting evidence
- Undertook detailed substantive analytical procedures on pay expenditure.

We also carried out sufficient and appropriate audit procedures to ascertain that recognition of income and expenditure was in the correct accounting period using cut off testing.

Our audit work in this area is now complete. We have not identified any issues in respect of risk of fraud in recognition of revenue or expenditure.

Significant risks

Risk identified in our Audit Plan

Closing valuation of land and buildings including council dwellings

(this risk relates to Barnsley Council (the parent) and two subsidiaries (Penistone Grammar Trust and Oakwell Community Assets Limited) – see pages 11,12 for identified risks)

The Council re-values its land and buildings on a rolling five-yearly basis in line with the Code requirements.

This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (some £1.17 billion for land & buildings and council dwellings based on 2024-35 draft accounts) and the sensitivity of this estimate to changes in key assumptions.

Additionally, management will need to ensure the carrying value of land and buildings is not materially different from the current value or the fair value at the balance sheet date, where a rolling programme is used.

The two components, namely Penistone Grammar Trust (PGT) and Oakwell Community Assets Limited (OCAL, football stadium) also have material land and buildings. As a result, this risk is extended to the group accounts for this specific area of these entities closing valuation of land and buildings.

We therefore identified the closing valuation of land and buildings including council dwellings, as a significant risk (see above for which entities the risk relates to) , which was one of the most significant assessed risks of material misstatement.

Audit procedures performed and findings

The Council holds both specialised and non-specialised buildings within its portfolio. The specialised assets comprise schools and leisure centres among others. The valuation approach is depreciated replacement cost (DRC) with the key valuation assumptions being the rebuild cost, building size and adjustments for obsolescence (buildings age, condition & functionality). The council also holds non-specialised assets such as car parks and offices. Council dwellings are also considered non-specialised.

As part of our work, we have:

- evaluated the design effectiveness of management controls around processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work including the valuation of the football stadium
- evaluated the competence, capabilities and objectivity of the valuation expert
- discussed with the valuer the basis on which the valuation was carried out
- challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding
- engaged our own auditor’s expert valuer to assess the instructions issued to the Council’s valuer, the Council’s valuer’s reports (including football stadium relating to OCAL and PGT land and buildings) and the assumptions that underpinned the valuation
- tested, on a sample basis, revaluations made during the year to see if they had been input correctly into the Council’s asset register
- evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that their carrying values are not materially different to current value at year end
- considered, where the valuation date is not 31 March 2025 (as relevant) for assets valued in year, the arrangements management has used to ensure the valuation remains materially appropriate at 31 March 2025
- agreed, on a sample basis, the internal floor areas (GIAs) to records held by the estates management function
- for non-specialised properties valued on the existing use value (EUV) basis as relevant, obtained market comparables to assess the appropriateness of market rents and yields selected by management’s expert and used in the valuation calculations.

Significant risks

Risk identified in our Audit Plan

Closing valuation of land and buildings including council dwellings (continued)

(this risk relates to Barnsley Council (the parent) and two subsidiaries (a Penistone Grammar Trust and Oakwell Community Assets Limited) – see pages 11,12 for identified risks)

The Council re-values its land and buildings on a rolling five-yearly basis in line with the Code requirements.

This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (some £1.17 billion for land & buildings and council dwellings based on 2024-35 draft accounts) and the sensitivity of this estimate to changes in key assumptions.

Additionally, management will need to ensure the carrying value of land and buildings is not materially different from the current value or the fair value at the balance sheet date, where a rolling programme is used.

The two components, namely Penistone Grammar Trust (PGT) and Oakwell Community Assets Limited (OCAL, football stadium) also have material land and buildings. As a result, this risk is extended to the group accounts for this specific area of these entities closing valuation of land and buildings.

We therefore identified the closing valuation of land and buildings including council dwellings, as a significant risk (see above for which entities the risk relates to) , which was one of the most significant assessed risks of material misstatement.

Audit procedures performed and findings (continued)

Our audit work in this area is now complete . Work has not identified any issues in respect of misstatements to closing valuations of land and buildings including council dwellings, other than the following, which we have included at section 7.

- Within Note 19A – Property, Plant and Equipment, the Net Book Value At 1st April 2024 was incorrectly stated as £1,139,853k where this should have been £1,147,382k. Difference of £7,530 which is made up of Other Land and Buildings increasing by £4,489k and Vehicles, Plant, Furniture & Equipment by £3,076k.
- Within Note 19A – Property, Plant and Equipment - Right of Use Assets - the following amendments have been made to the accounts.
 - (a) Depreciation Charge - OLB was incorrectly stated as -£5,234k where it should have been stated as - £2,173k as per the FAR.
 - (b) Depreciation Charge - P&E was incorrectly stated as -£419k where it should have been stated as £3,504k as per the FAR.
 - (c) Closing Net Book Value - OLB was incorrectly stated as £46,045k where it should have been stated as £49,105 as per the FAR.
 - (d) Closing Net Book Value - VPE was incorrectly stated as £8,728k where it should have been stated as £5,713 as per the FAR.
- Within Note 19A – Property, Plant and Equipment, a number of asset category transfers have been incorrectly treated as disposals. Errors have been isolated to HRA assets within the other land and buildings population. The adjustment is reported at section 7.
- As in previous years non-value adding line was added to note 19A

Management has agreed to amend the accounts to correct these misstatements

From procedures performed we have gained appropriate assurance that the carrying value of Council Land and Buildings and Council Dwellings are fairly stated at the year-end.

Significant risks

Risks identified in our Audit Plan

Valuation of the pension fund net balance

(Risk relating to the Council and Berneslai Homes Limited (BHL) – see pages 11 and 12

The Council’s pension fund net balance is considered a significant estimate due to the size of the numbers involved (c£280m net asset as at 31 March 2025 before applying IFRIC14 accounting principles) and the sensitivity of the estimate to changes in key assumptions

The methods applied in the calculation of the IAS 19 (Employee Benefits) estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework).

However, for the first time since International Financial Reporting Standards have been adopted in the public sector, the Council (in common with a number of local authorities from 2022-23 onwards) has had to consider the potential impact of IFRIC 14 on the Council’s IAS 19 accounting. This trend has continued to 2024-25 . IFRIC 14 is the accounting principle that limits the recognition of a defined benefit asset in the financial statements. As a result of this, we have assessed the recognition, valuation which is a significant estimate and disclosures of the Council’s share of the pension asset as a significant risk.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is verifiable.

The actuarial assumptions used are the responsibility of the Council but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular, the discount and inflation rates, where the consulting actuary has indicated that a +0.1% - (0.1%) change in these two assumptions would have approximately 1.5% effect on the liability/asset.

We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 / IFRIC 14 estimates due to the assumptions used in their calculation. With regard to these assumptions, we have therefore identified valuation of the Council's share of the South Yorkshire Pension Fund as a significant risk.

Audit procedures performed and findings

We have:

- updated our understanding of the processes and controls put in place by management to ensure that the Group’s pension fund net balance is not materially misstated
- evaluated the design effectiveness of management controls and the instructions issued by management to their management expert (Hymans Robertson) for this estimate and the scope of the actuary’s work
- assessed the competence, capabilities and objectivity of the actuary (Hymans Robertson) who carried out the Council’s and BHL’s pension fund valuation
- assessed the accuracy and completeness of the information provided by the Council and BHL to the actuary to estimate the net pension balance
- tested the consistency of the pension fund figures and disclosures in the draft financial statements with the actuarial report from the actuary
- Undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor’s expert) and performing any additional procedures suggested within the report
- obtained assurances from the auditor of the South Yorkshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund
- evaluated the continued appropriateness (as applicable) of recognising a pension asset position against the Code and IFRIC 14 criteria
- assessed the calculation performed to identify the IFRIC 14 net pension asset ceiling and where appropriate, challenge management on the validity and appropriateness of the assumptions used in the calculation
- reviewed the accounting for any unfunded liability element of LGPS including assessing this has not been incorrectly offset against the net funded LGPS balance, in line with applicable accounting principles

Continued overleaf...

Significant risks

Risks identified in our Audit Plan

Valuation of the pension fund net balance

(Risk relating to the Council and Berneslai Homes Limited, (BHL))

The Council’s pension fund net balance is considered a significant estimate due to the size of the numbers involved (c£280m net asset as at 31 March 2025 before applying IFRIC14 accounting principles) and the sensitivity of the estimate to changes in key assumptions

The methods applied in the calculation of the IAS 19 (Employee Benefits) estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework).

However, for the first time since International Financial Reporting Standards have been adopted in the public sector, the Council (in common with a number of local authorities from 2022-23 onwards) has had to consider the potential impact of IFRIC 14 on the Council’s IAS 19 accounting. This trend has continued in 2024-25 . IFRIC 14 is the accounting principle that limits the recognition of a defined benefit asset in the financial statements. As a result of this, we have assessed the recognition, valuation which is a significant estimate and disclosures of the Council’s share of the pension asset as a significant risk.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is verifiable.

The actuarial assumptions used are the responsibility of the Council but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular, the discount and inflation rates, where the consulting actuary has indicated that a +0.1% - (0.1%) change in these two assumptions would have approximately 1.5% effect on the liability/asset.

We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 / IFRIC 14 estimates due to the assumptions used in their calculation. With regard to these assumptions, we have therefore identified valuation of the Council's share of the South Yorkshire Pension Fund as a significant risk.

Audit procedures performed and findings

Our audit work in this area is now complete; work has identified the following disclosure misstatements in respect of the valuation of the Council’s defined benefit pension scheme which we have included at section 7

- Correcting note 37, £62,676k was initially stated as past service cost, however this should be interest cost, and £1,460k was initially stated in the draft accounts as interest cost however should have been past service cost. This misstatement has no impact on the overall position of the scheme’s net position.
- Correcting Pension Asset - £972k relating to the parent company (BMBC) was omitted in the group balance sheet
- Unfunded liability for BHL of £422k (page 25) was corrected in the group balance sheet where there was £Nil in the draft accounts
- Correcting other misstatements reported at page 11 not reported here

-Our audit work has not identified any further matters to bring to your attention and we have gained assurance that the IAS 19 pension net liability has been appropriately accounted for and disclosed within the financial statements.

Significant risks

Auditor Commentary on Accounting for the Pension Fund Surplus/Asset in the Council and Group’s financial statements

Valuation of the Pension fund net balance (continued):

This section covers:

- (1) Background to the pension asset and relevant accounting principles
- (2) Our observations of the draft accounts and actuary reports presented for audit
- (3) Summary position

(1) Background to the issue and relevant accounting principles:

As indicated at page 22, for the first time since International Financial Reporting Standards (IFRS) were adopted in the public sector, the Council’s net defined benefit pension fund became a surplus or a net asset position in 2022-23 as opposed to the significant liability balance that has been reported in previous 15 plus years before 2022-23. This is in common with a number of local authorities in the country. This trend has continued in 2023-24 and current year 2024-25.

According to the relevant accounting standard, IAS19 (Employee Benefits), an entity shall recognise the net defined benefit liability / asset in the statement of financial position. Therefore, whether it is a liability (which was the case in the past) or an asset , according to IAS19, it should be recognised on the balance sheet.

IAS19 states, when an entity has a surplus in a defined benefit plan, it shall measure the net defined benefit asset at the lower of:

- (a) the surplus in the defined benefit plan
- (b) the asset ceiling, determined using the discount rate specified in IAS19.

The asset ceiling is defined as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

IFRIC-14 (The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) provides guidance on amount that can be recognised in the financial statements, when there is a surplus /net asset position.

It is significantly unlikely that there will be refunds from the plan to the employer in a local government defined benefit scheme. There are no exit plans in the foreseeable future as these are public sector pension plans that would continue in perpetuity. There could be a possible situation whereby there could be potential reductions in future contributions to the plan.

The economic benefit available as a reduction in future contributions can be calculated as follows:

- present value of IAS 19 future service costs (calculated based on IAS 19 assumptions as at the balance sheet date), less
- present value of future service contributions if these are classed as a minimum funding requirement.

By doing this, the asset ceiling can be determined (point b above)

Management then needs to consider what should be recognised / disclosed in the financial statements based on accounting principles stated above.

Significant risks

Auditor Commentary on Accounting for the Pension Fund Surplus/Asset in the Council and Group’s financial statements

(2) Our observations of the draft accounts and actuary reports presented for audit

Our observations highlighted that:

- According to the actuary report for year ended 31 March 2025, the funded asset surplus for the Council was £304.9m and the unfunded defined benefit obligation was £24.1m. For BHL the corresponding figures as summarised in the table below was a surplus of £48.9m and an unfunded defined benefit obligation of £422k. According to accounting principles including IFRIC14 highlighted at page 24, the lower of the surplus or the asset ceiling (as described at page 24) should be recognised on the Council and group accounts balance sheet.
- The asset ceiling calculation for 24-25 has been determined by the actuary which was reperformed by us and was concluded as correct. It was a positive figure for the Council £972k and £Nil for BHL. Applying the principles at page 24, the lower of (a) and (b) at page 24 was £972k for the Council and £Nil for BHL, the subsidiary. This is summarised in the table below, under section 3.
- As indicated above, there was an unfunded defined benefit obligation of £24.1m for the Council and £422k for BHL. Under IAS19 (relevant accounting principles), a funded asset position can only be netted off against an unfunded liability when, (a) the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and (b) the entity intends to settle the obligations on a net basis or to release the surplus in one plan and settle its obligations under the other plan simultaneously. Our work indicated that none of these apply to the Council and the group as in previous years. The Council has correctly reported this separately on the balance sheet as a long-term liability in the council accounts. However, in the group accounts BHL £422k was corrected as reported at page 23.

(3) Summary position

Entity	Pension Fund Surplus/Deficit?	Asset ceiling calculated by the Actuary and reperformed by GT?	Lower of the (a) Surplus of the Pension Fund (b) asset Ceiling recognised	Unfunded Defined benefit obligations correctly accounted for	Accounting treatment correct in line with IAS19 and IFRIC14 (after adjustments)
Barnsley Council	Surplus of £304.9m	Yes. It is a positive number of £972k	Yes. Lower is (b) asset ceiling, £972k recognised Therefore, surplus is restricted to £972k from £304.9m	Yes Separately recognised as a liability (£24.1m)	Yes
Berneslai Homes Limited (BHL)	Surplus of 48.9m	Yes, £Nil	Yes. Lower (b) , asset ceiling which was a negative figure and taken as £Nil Therefore, surplus is restricted to £Nil from £48.9m	Yes (after amending) £422k	Yes

Other risks identified

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for another risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk identified in the Audit Plan

Implementation of IFRS 16

IFRS 16 Leases is now mandatory for all Local Government (LG) bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17 (previous standard)

IFRS 16 updates the definition of a lease to:

“a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”

In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease. IFRS 16 requires all leases to be accounted for ‘on balance sheet’ by the lessee (subject to the exemptions below), a major change from the requirements of IAS 17 (previous accounting standard) in respect of operating leases

There are however the following exceptions:

- leases of low value assets (optional for LG)
- short-term leases (less than 12 months).

Clear understanding and application of IFRS16 principles are required with reasonable judgements to ensure the Council captures all the leases in scope of IFRS16 for accounting and disclosure purposes in the 2024-25 financial statements.

As a result, we consider this as an ‘other risk’ which requires some planned audit procedures as highlighted in this section

Audit procedures performed and findings

As part of our work, we have:

- obtained an understanding of the Council's approach to implementing IFRS 16. This includes understanding the steps taken by the Council to identify (including completeness of leases held as at 1 April 2024) and classify leases, assess lease terms, and ensure the accounting treatment aligns with accounting standards
- obtained the Council’s calculation and lease data and assess the completeness and accuracy by reviewing the calculation of the lease liabilities and right-of-use assets including that of assets with peppercorn rentals
- verified the discount rate used and ensure the calculations are in line IFRS 16 requirements
- reviewed the financial statement disclosures related to leases to ensure this meets the requirements of IFRS 16 such as the nature of leasing activities, key assumptions and judgments made
- assessed the accounting treatment in the financial statements reflects IFRS 16 based on completeness and accuracy of the lease liabilities and right-of-use assets calculations determined by management.

Our findings are continued at page 27

Other risks identified

Risk identified in the Audit Plan

Implementation of IFRS 16 (continued)

IFRS 16 Leases is now mandatory for all Local Government (LG) bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17 (previous standard)

IFRS 16 updates the definition of a lease to:

“a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”

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There are however the following exceptions:

- leases of low value assets (optional for LG)
- short-term leases (less than 12 months).

Clear understanding and application of IFRS16 principles are required with reasonable judgements to ensure the Council captures all the leases in scope of IFRS16 for accounting and disclosure purposes in the 2024-25 financial statements.

As a result, we consider this as an 'other risk' which requires some planned audit procedures as highlighted in this section

Audit procedures performed and findings

Our audit work in this area is now complete. Work has identified the following disclosure areas, including good practice financial reporting, where management has agreed to amend the accounts, which we have reported at section 7.

- the weighted average lessee’s incremental borrowing rate applied to lease liabilities recognised in the Balance Sheet
- Interest expense on lease liabilities
- The expense relating to short-term leases and leases of low-value assets
- expense relating to variable lease payments not included in the measurement of lease liabilities
- where right-of-use assets are revalued and reported under Property Plant and Equipment (IAS 16) valuation model , related additional disclosures per the Code
- additional qualitative and quantitative information about its leasing activities of right –of use assets based on key services provided
- Clearly signposting right-of –use assets and corresponding liabilities from the balance sheet to notes to the accounts for this material number

Unadjusted error – background and recommendation

The Council used a specialist to assess the impact on PFI liabilities due to the introduction of IFRS16 and subsequent remeasurement of such liabilities. We also used our own financial modelling specialists within Grant Thornton in this respect , reviewing Council’s PFI models and checking the amounts determined by management specialist. We challenged the management and management specialist on allocation of indexation on certain PFI models (BSF1 , BSF2 and BSF3) to contingent rent only rather than both contingent rent and services based on the actual unitary charge. The difference was not material (£5,854k) and reported as an unadjusted misstatement at page 48. If corrected, the actual PFI liability reported in the accounts would reduce which is an indication that there is no management bias in relation to remeasurement of this PFI liability. In the event this was adjusted by management , it would have no impact to the Council’s usable general fund reserves (page 48). We have obtained management representation on this

However, we consider , it is appropriate to revisit this and investigate these differences as part of 2024-25 accounts closedown process to minimise such differences occurring. As a result, we have made a recommendation in the action plan (see page 51)

5 Other findings

Other areas impacting the audit

This section provides commentary on other issues/areas and risks which were identified during the course of the audit that are still relevant to be reported.

Area and work done	Auditor Commentary
<p>IT General Controls (ITGC) work:</p> <p>As part of our audit procedures on the financial statements, we conducted our ITGC work. This was targeted on general IT controls and was performed by our IT specialists around design and Implementation of ITGC.</p> <p>The objective was to identify any significant deficiencies in IT general controls that could lead to any material errors in the financial statements.</p> <p>The work performed by our IT specialists on Council's General Ledger System (SAP) included:</p> <ul style="list-style-type: none">• IT General Controls Testing: Design and Implementation IT Audit procedures and review of controls for security management; technology acquisition development and maintenance and technology infrastructure.• Performed high level walkthroughs, inspected supporting documentation and analysis of configurable controls in SAP application.• Documented the test results and provided evidence of the findings to the Barnsley MBC IT function management for remediation actions where necessary. <p>Additionally, the IT specialists performed a cybersecurity evaluation assessment.</p>	<ul style="list-style-type: none">– Our work did not identify any significant deficiencies in ITGC for SAP application– There were some recommendations arising from our IT work. The recommendations are primarily concerned with issues at system access level, where there are compensating controls in place to detect and reduce material errors in the financial statements.– The audit team has considered the issues and recommendations. We do not consider them significant enough to have an impact on our audit approach (as we performed a fully substantive audit approach with no reliance on operating effectiveness of controls whether they are IT or manual). The recommendations identified by our IT audit specialists would further strengthen the Council’s IT control environment when implemented.– Recommendations are included at section 7 of this report.

Other findings – key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management’s approach	Audit Comments	Assessment
Council Dwellings valuation: £905m	<p>The Council is required to revalue its Council housing in accordance with Ministry of Housing, Communities and Local Government (MHCLG) Stock Valuation for Resource Accounting guidance. The guidance requires the use of beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties.</p> <p>The Council has engaged its valuer to complete the valuation of these properties. The Council Dwelling valuation as at 31 March 2025 was £905m, a net increase of £39m from 2023-24 (£866m).</p>	<ul style="list-style-type: none">• The Council’s RICS qualified valuer has valued the entire housing stock using the beacon methodology, in which a detailed valuation of representative property types was then applied to similar properties.• Our work indicated that this methodology was applied correctly to the 2024-25 valuation.• We have assessed the Council’s valuer to be competent, capable and objective in carrying out the valuations• We have carried out completeness and accuracy testing of the underlying information provided to the valuer used to determine the estimate and have no issues to report• We have agreed the HRA valuation report to the accounts• We have compared the valuation movements with the property valuation specialist's information we use and national reports and held discussions with our own valuation specialist as relevant. We have also challenged management and the Council’s valuation expert on valuation differences as identified through our sensitivity analysis work using other relevant indices when applicable. <p>Our work is now complete in this area. There are no issues arising from our work that we wish to bring to the attention of management or the Audit and Governance Committee.</p>	Green

Assessment

- [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic or cautious
- [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Other findings – key judgements and estimates

Significant judgement or estimate	Summary of management’s approach	Audit Comments	Assessment
Other Land and Buildings valuation: £267.6m	<p>Other land and buildings comprises a significant proportion of specialised assets (c65%) such as schools and libraries, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision.</p> <p>The remainder of other land and buildings (c 35%) are not specialised in nature (such as car parks) and are required to be valued at existing use in value (EUV) at year end.</p> <p>The Council has engaged its in-house RICS qualified valuer to complete the valuation of assets on a five yearly cyclical basis as permitted by Code of Practice on Local Authority Accounting. Approximately 85% of total other land and buildings assets (by gross value) were revalued during 2024-25.</p> <p>Management has also considered the year end value of properties of c100 larger value land and buildings (similar approach as in previous years) and has included these in 2024-25 valuation process to gain a higher coverage of valuations as indicated above resulting c85% valuations during 2024-25.</p> <p>The total year end valuation of other land and buildings was £267.6m.</p>	<ul style="list-style-type: none">• We have assessed the Council’s in-house RICS qualified valuer, to be competent, capable and objective• We have carried out completeness and accuracy testing of the underlying information provided to the valuer used to determine the estimate, including floor areas and have no issues to report• The valuation methods remain consistent with the prior year and in line with Code guidance• In relation to assets not revalued in the year, we have compared the Montague Evans (valuation specialists) property valuation report and held discussions with our own, auditor’s valuation specialist. We have also challenged management and the Council’s valuation specialist on valuation differences identified through our sensitivity analysis work using other indices when applicable <p>Our work is now complete in this area. There are no issues arising to date from our work that we wish to bring to the attention of management or the Audit and Governance Committee.</p>	Green

Assessment

- [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic or cautious
- [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Other findings – key judgements and estimates

Significant judgement or estimate	Summary of management’s approach	Audit Comments	Assessment																								
<p>This Year:</p> <p>Net pension Asset after asset ceiling calculation (Group)</p> <p>£972k– see page 25</p> <p>Prior Year:</p> <p>Net pension Asset after asset ceiling calculation £Nil (Group)</p>	<p>The Council’s net pension asset as at 31 March 2025 after asset ceiling calculation is £972k(PY asset after asset ceiling calculation £Nil) . As indicated at page 25, this year’s surplus before the asset ceiling calculation was £353.8m for the Group. This gives an indication of the nature of the significant estimate and fluctuations on how the estimate is accounted for using applicable accounting principles as highlighted at pages 22-25.</p> <p>The Council continues to engage Hymans Robertson LLP to provide actuarial valuations of the Council’s assets and liabilities derived from this scheme. Same actuary is used for BHL. A full actuarial valuation is required every three years. The latest full actuarial valuation was completed as at 31 March 2022, utilising key assumptions such as life expectancy, discount rates, salary growth and pension increase rate. Whilst the next valuation is dated 31 March 2025, the process will take 12 months to be finalised by 31st March 2026</p> <p>A roll forward approach is used in intervening periods which utilises key assumptions such as life expectancy, discount rates, salary growth and investment return.</p> <p>Given the significant value of the net pension fund asset/liability, small changes in assumptions can result in significant valuation movements. As indicated above and our reporting at pages 11-13, it is evident how the significant estimate could change due to assumptions .</p>	<p>We have:</p> <ul style="list-style-type: none">Assessed the competence, capability and objectivity of management’s expert, Hymans Robertson LLPAssessed the actuary’s approach taken and deemed it reasonableUsed PwC as an auditor’s expert to assess the management actuary and assumptions made by the actuary (see table below)Confirmed the completeness and accuracy of the underlying information used to determine the estimateConfirmed the reasonableness of the Council’s share of pension assetsConfirmed the reasonableness of the decrease in the liability estimateConfirmed the adequacy of the disclosure of the estimate in the financial statements. <table><tr><th></th><th>Actuary Value</th><th>* PwC assessment</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>5.8%</td><td>See comment below</td><td><div>●</div>Green</td></tr><tr><td>Pension increase rate</td><td>2.75%</td><td>See comment below</td><td><div>●</div>Green</td></tr><tr><td>Salary increase rate</td><td>3.35%</td><td>See comment below</td><td><div>●</div>Green</td></tr><tr><td>Life expectancy – Males Current Pensioners Future Pensioners</td><td>20.5 21.3</td><td>See comment below</td><td><div>●</div>Green</td></tr><tr><td>Life expectancy – Females Current Pensioners Future Pensioners</td><td>23.6 25.0</td><td>See comment below</td><td><div>●</div>Green</td></tr></table> <p>*PwC report (auditor’s expert) for year ended 31 March 2025 , overall findings has commented on the Hymans Robertson LLP (management actuary) assumptions as follows: “We are comfortable that the methodologies used by Hymans Robertson to establish assumptions will produce reasonable assumptions as at 31 March 2025 for all employers”.</p> <p>Our work in this area is now complete. See pages 22-25. Our work has not identified any evidence to conclude that management’s processes and key assumptions are not appropriate .</p>		Actuary Value	* PwC assessment	Assessment	Discount rate	5.8%	See comment below	<div>●</div> Green	Pension increase rate	2.75%	See comment below	<div>●</div> Green	Salary increase rate	3.35%	See comment below	<div>●</div> Green	Life expectancy – Males Current Pensioners Future Pensioners	20.5 21.3	See comment below	<div>●</div> Green	Life expectancy – Females Current Pensioners Future Pensioners	23.6 25.0	See comment below	<div>●</div> Green	<div>Green</div>
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Other findings – Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT, related to business process controls, relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating		
			Security management	Technology acquisition, development and maintenance	Technology infrastructure
** SAP (General Ledger)	Detailed ITGC assessment (design effectiveness only)	<div><div></div></div> Amber	<div><div></div></div> Amber	<div><div></div></div> Amber	<div><div></div></div> Amber

We also performed specific procedures in relation to the Cyber Security arrangements during the audit period, We observed the following results:

Result		Related significant risks / risk / observations
Cyber Security Review	No deficiencies identified	N/A

Assessment:

- [Red] Significant deficiencies identified in IT controls relevant to the audit of financial statements
- [Amber] Non-significant deficiencies identified in IT controls relevant to the audit of financial statements but with sufficient mitigation of relevant risk
- [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- [Black] Not in scope for assessment

** The audit team has considered the issues identified during 2024-25. We do not consider them significant enough to have an impact on our audit approach as we have performed a fully substantive audit approach with no reliance on operating effectiveness of controls, whether they are automated or manual controls. See page 29.

6 Communication requirements and other responsibilities

Other communication requirements

We set out alongside details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Council’s Audit and Governance Committee and the Director of Finance, Chief Financial Officer. We have not been made aware of any significant incidents in the year and no issues have been identified during the course of our audit.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	The proposed letter of management representation (draft) is included at Appendix D. Additional representations were obtained in relation to: (a) Life Cycle Cost Account and the balances held in this bank account of £5,430k as at 31 March 2025 is not controlled or owned by the Council and therefore not included in the financial statements as at 31 March 2025 (b) The Council position in respect of Equal Pay claims
Confirmation requests from third parties	We requested from management permission to send a confirmation request to the Council’s bankers, and entities who were involved with the Council’s investments and borrowings. This permission was granted, and the requests were sent and responded to with positive confirmations.
Accounting practices	We have evaluated the appropriateness of the Council's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements to date. Our work did identify a small number of presentational disclosure amendments which have been processed by management and these are set out at section 7.
Audit evidence and explanations / significant difficulties	As in the previous six years, we have continued to experience good co-operation and engagement from the Council throughout our 2024-25 audit. In order to finalise our audit, we expect to receive continued timely engagement and responses from management. There are no significant difficulties to report in terms of receipt of audit evidence for all information and explanations requested.

Other responsibilities

As auditors, we are required to obtain sufficient appropriate audit evidence about the appropriateness of management use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern ((ISA (UK) 570)

Area	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none">• the use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities• for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Council’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Council meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none">• the nature of the Council and the environment in which it operates• the Council’s financial reporting framework• the Council’s system of internal control for identifying events or conditions relevant to going concern• management’s going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none">• a material uncertainty related to going concern has not been identified• management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements including the Annual Governance Statement and Narrative Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>Our work noted some disclosure omissions from the Annual Governance Statement and other minor presentational matters. Our review of the Narrative report identified some minor presentational matters. These have been adequately rectified by management. These are reported at section 7. We plan to issue an unmodified opinion in this respect as reported at Appendix E in the draft audit report.</p> <p>Overall, no material inconsistencies have been identified.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none">• if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit• if we have applied any of our statutory powers or duties• where we are not satisfied in respect of arrangements to secure value for money and have reported a significant weakness(es). <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out certain procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>The NAO requires the work to be completed once the audit opinion is provided on the financial statements.</p> <p>In 2022, the NAO increased the audit threshold to £2bn expenditure for authorities that required detailed WGA audit work. This threshold remains in place for 2024-25 WGA work, therefore in common with recent years, the Council WGA submission should only require limited audit input.</p> <p>We anticipate to issue this return to the NAO alongside issuing the audit opinion.</p>
Certification of the closure of the audit	<p>We cannot formally conclude the audit and issue an audit certificate for Barnsley Metropolitan Borough Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until the National Audit Office has concluded their work in respect of Whole of Government Accounts for the year ended 31 March 2025.</p> <p>We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.</p>

7 Audit adjustments, action plan and progress against prior year recommendations

Audit adjustments

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below, along with the impact on the key statements.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
(1) Dr De-recognition – Disposals (Cost or Valuation) - OLB	-	3,670	-	-
Cr Transfer (Cost or Valuation) - OLB	-	(3,667)	-	-
Dr Transfer (Cost or Valuation) – Council Dwellings	-	3,668	-	-
Dr Transfer (Cost or Valuation) – AuC	-	4	-	-
Cr Revaluation Increases / (Decreases) Recognised in the Revaluation Reserve (Cost or Valuation) – Council Dwellings	-	(3,667)	-	-
Cr De-recognition – Disposals (Accum Depreciation) – OLB	-	(43)	-	-
Dr Net Book Value - OLB	(3,632)	35	-	-
Cr (Gains) / Losses on The Disposal of Non-Current Assets	3,632	-	-	-
Dr (Gains) / Losses on Revaluation of Property, Plant & Equipment Assets		-	-	-
- Correcting charges in relation to disposals where they were previously accounted for incorrectly within Note 19 and the CIES.				
Overall impact	0	0	0	0

Audit adjustments

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below, along with the impact on the key statements.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
(2) Dr Revaluation Losses	N/A	1,540	N/A	NIL
Cr Assets Sold	N/A	(1,540)	N/A	NIL
- Correcting accounting entries for Note 23 – Assets Held for Sale which were previously incorrectly stated.				
(3) Dr Depreciation Charge (ROU Asset , OLB note 19A)	N/A	3,061	N/A	NIL
Cr Depreciation Charge (ROU Asset , P&E note 19A)	N/A	(3,061)	N/A	
- Correcting accurate depreciation charges per Fixed Asset Register on RoU assets				
Overall impact	0	0	0	0

Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements

No.	Adjustment Type	Description and value	Account Balance	Updated in the revised accounts?
1.	Disclosure	<ul style="list-style-type: none"> Correcting note 37, £62,676k was initially stated as past service cost, however this should be interest cost, and £1,460k was initially stated in the draft accounts as interest cost however should have been past service cost. This misstatement has no impact on the overall position of the scheme's net position. Correcting Pension Asset - £972k relating to the parent company (BMBC) was omitted in the group balance sheet Unfunded liability for BHL of £422k (page 25) was corrected in the group balance sheet where there was £Nil in the draft accounts <p>Also see group accounts misstatements</p>	Note 37 – Defined Benefit Pension Scheme and Group Accounts	✓
2.	Disclosure	<ul style="list-style-type: none"> Within Note 19A – Property, Plant and Equipment, the Net Book Value At 1st April 2024 was incorrectly stated as £1,139,853k where this should have been £1,147,382k. Difference of £7,530 which is made up of Other Land and Buildings increasing by £4,489k and Vehicles, Plant, Furniture & Equipment by £3,076k. Within Note 19A – Property, Plant and Equipment - Right of Use Assets the following amendments have been made to the accounts. <ul style="list-style-type: none"> (a) Depreciation Charge - OLB was incorrectly stated as -£5,234k where it should have been stated as - £2,173k as per the FAR. (b) Depreciation Charge - P&E was incorrectly stated as -£419k where it should have been stated as £3,504k as per the FAR. (c) Closing Net Book Value - OLB was incorrectly stated as £46,045k where it should have been stated as £49,105 as per the FAR. (d) Closing Net Book Value - VPE was incorrectly stated as £8,728k where it should have been stated as £5,713 as per the FAR. Within Note 19A – Property, Plant and Equipment, a number of disposals has been incorrectly disposed of when instead they should have been transfers. The error has been isolated to HRA assets within the other land and buildings population. The adjustment is reported at section 7 with double entries (adjusted misstatements section) As in previous years non-value adding line was added to note 19A 	Note 19A , PPE	✓

Audit adjustments (continued)

Misclassification and disclosure changes

No.	Adjustment Type	Description and value	Account Balance	Updated in the revised accounts?
3.	Disclosure	<p>Our work to date on IFRS16 (leases) identified the following disclosure areas including good practice financial reporting, where management has agreed to amend the accounts.</p> <ul style="list-style-type: none">the weighted average lessee’s incremental borrowing rate applied to lease liabilities recognised in the Balance SheetInterest expense on lease liabilitiesThe expense relating to short-term leases and leases of low-value assetsexpense relating to variable lease payments not included in the measurement of lease liabilitieswhere right-of-use assets are revalued and reported under Property Plant and Equipment (IAS 16) valuation model , related additional disclosures per the Codeadditional qualitative and quantitative information about its leasing activities of right –of use assets based on key services providedClearly signposting right-of –use assets and corresponding liabilities from the balance sheet to notes to the accounts for this material number	19A , Property Plant and Equipment	✓
4.	Disclosure	<p>Our review of the draft Annual Governance Statement (AGS) and Narrative Report highlighted some disclosure misstatements and compliance with the relevant guidance.</p> <p>These have now been updated in the final versions of the AGS and the Narrative Report</p>	AGS/Narrative Report	✓
5.	Disclosure	<p>External Audit Costs – this note was updated to correct presentational adjustments to reflect the correct External Audit Fees and other related fees to Grant Thornton to agree to correct fees reported in the Audit Plan and this report</p>	Note 14- External Audit costs	✓
6.	Disclosure	<p>Unusable Reserves note: Capital grants, contributions and income in relation to donated assets credited to the Comprehensive Income and Expenditure Statement was omitted from the Net Written Out Amount of the Cost of Non-Current Assets Consumed in Year and was incorrectly included within Capital Expenditure Charged Against the General Fund & HRA Balances. Net nil impact as bottom line within the CAA still the same. Value of the misstatement is £3,496k and this was corrected</p>	Note 5, Unusable Reserves	✓

Audit adjustments (continued)

Misclassification and disclosure changes

No.	Adjustment Type	Description and value	Account Balance	Updated in the revised accounts?
7.	Disclosure	<p>Officers' Remuneration & Exit Packages:</p> <ul style="list-style-type: none"> the disclosure relating to exit packages has been corrected as the draft accounts disclosure did not include payments in lieu of notice in both the current and prior years. As a result of this the Total Cost of Exit Packages had increased by £1,098k for 2023/24 and £2,384k for 2024/25. Whilst the number of exit packages hasn't changed the bandings of the total cost has changed due to the increased values. there was an omission within the draft accounts of 7 individuals from the employees over £50k table. Error occurred as the exit package for these 7 individuals had not been paid in 2024/25 but instead in 2025/26 due to timing therefore were not added onto the individuals salaries for the over £50k workings. Correction made as these were 2024-25 costs for services provided by the officers in 2024-25 	Note 13: Officers Remuneration and Exit Packages	✓
8.	Disclosure	Related Parties note, a disclosure note was added to further improve financial reporting around Penistone Grammar Trust as a material subsidiary. The note has also been updated to reflect the actual number of home Berneslai Homes Ltd is responsible for as the disclosure within the draft accounts reflected the 2023/24 figure	Note 17, Related Parties	✓
9.	Disclosure	<p>Capital Expenditure and Financing, IFRS16 Leasing Adjustment as at 01/04/24 for Other Land & Buildings was been corrected from £8,266k to £4,951k which is a movement of £3,315k. This has been caused by donated assets of £3,496k being incorrectly included and an additional adjustment of £181k has been made to account for the impairment of Staincross Golf Club which was previously omitted.</p> <p>This has also resulted in the Closing Capital Financing Requirement to be amended from £1,082,916k to £1,079,601.</p>	Note 24 - Capital Expenditure and Financing,	✓
10.	Disclosure	£744k of income was classified as "Other Grants" where it should have been recognised as "Better Care Fund". No impact on the bottom line noted just a movement between lines within the disclosure.	Note 15 – Grant Income Recognised Through The Comprehensive Income & Expenditure Statement	✓

Audit adjustments (continued)

Misclassification and disclosure changes

No.	Adjustment Type	Description and value	Account Balance	Updated in the revised accounts?
11.	Disclosure	<p>We identified the following disclosure issues in the group accounts that management agreed to amend.</p> <ul style="list-style-type: none">• Right of Use Assets - Right of Use Vehicles, Plant, Furniture & Equipment was incorrectly stated as £8,729k where it should have been £5,668k. For context, this adjustment was identified within the parent accounts and subsequently amended within the group accounts. No IFRS16 assets are held by the subsidiaries.• Pension Asset - £972k relating to the parent company (BMBC) was omitted.• Berneslai Homes Pensions Reserve - PY value of -£471k was disclosed instead of -£422k which is the current year figure.• Difference between actuarial gains/losses on pension fund liability line in the group CIES of £4,834k and Note G of the group accounts which is £25,127k. This is because the BH homes figure of £20,293k was omitted from their single entity accounts, and the group CIES. This relates to Group Other Comprehensive Income and Expenditure.• The group accounts did not include disclosures on Property Plant and Equipment (PPE). Considering this is a significantly material balance , a PPE note was added to group accounts for this year and prior year.	Group Accounts	✓
12.	Disclosure	<p>Within Note 1 , we have noted variances on 3 lines between the Management Accounts as Per Final Accounts Report (Note 1A) and Actual Outturn Report submitted to Cabinet and subsequently disclosed within the Narrative Report. The differences were IFRS16 adjustments which were made after the Outturn Report was issued to Cabinet. Net impact on the bottom line is nil with the adjustments across the 3 lines netting off with each other. As a result of this, management updated this with a disclosure note to inform the reader of the differences between Note 1 and Council’s Outturn Report.</p> <p>Differences were as follows:</p> <ul style="list-style-type: none">• Growth & Sustainability - Per Outturn/Narrative Report is £59,567k where as within Note 1 it is £54,969k. Difference of £4,598k• Core Services - Per Outturn/Narrative Report is £3,721k where as within Note 1 it is £3,875k. Difference of -£154k• Corporate Services - Per Outturn/Narrative Report is £55,100k where as within Note 1 it is £59,544k. Difference of -£4,444k.	Note 1 – Reconciliation Between Management Accounts and Expenditure & Funding Analysis	✓

Audit adjustments (continued)

Misclassification and disclosure changes

No.	Adjustment Type	Description and value	Account Balance	Updated in the revised accounts?
13.	Disclosure	<p>Within Note 10 – Impairment / Revaluation Losses, we have identified that it was understated by £1,971k upon reconciliation to the Fixed Asset Registers.</p> <p>Adjustments agreed to be made to the draft accounts are as follow: =</p> <ul style="list-style-type: none"> • Other Land & Buildings - increase from £3,238k to £5,336k • Surplus Assets - increase from -£29k to £25k • Right of Use Assets - Other Land and Buildings - decrease from £3,446k to £3,265k. 	Note 10 – Impairment / Revaluation Losses	✓
14.	Disclosure	Housing Support Grant (HSG) - Inclusion of the wording "Exceptional item" has been removed following discussions with the audit team of it's "exceptional nature" given it has been included within the accounts for a number of years, and it is not expectational anymore.	CIES	✓
15.	Disclosure	Events After The Balance Sheet Date, this has been amended from no events at draft stage to include a number of Academy Transfers which have occurred during the period from 31 March 2025 to the date the opinion to be signed.	Note 18 – Events After The Balance Sheet Date	✓
16.	Disclosure	<p>Within Note 25, it has been identified from our testing that the Minimum Lease Payments table for the Council as Lessee for not later than one year has been overstated by:</p> <p>Minimum Lease Payments – Was £6,940 should be £4,380k. Overstated by £2,560k</p> <p>Finance Lease Liabilities – Was £5,940 should be £3,837k. Overstated by £2,103k</p>	Note 25 – Leases	✓

Audit adjustments (continued)

Misclassification and disclosure changes

No.	Adjustment Type	Description and value	Account Balance	Updated in the revised accounts?
17.	Disclosure	<p>Cash Flow Statement</p> <p>As a result of some adjustments identified in other areas of the statement of accounts , the Cash Flow Statement was amended. Considering it is a primary statement we have included this below. No impact to the Cash and Cash Equivalent figure as at 31 March 2025.</p> <p>Net (Surplus) / Deficit on Provision of Services has changed from £28,238k to £24,613k due to other adjustments made.</p> <ul style="list-style-type: none">Adjustments to Net Surplus or Deficit on The Provision of Services for Non-Cash Movements:<ul style="list-style-type: none">Depreciation & Impairments have reduced from £80,110 to £78,807Disposals have decreased from £16,089k to £13,766k due to other amendments madeNon-cash adjustments have also reduced from £424k to £422k <p>These are due to misclassification errors between the three-line items as well as the adjustments made to the disposals figure.</p> <p>Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing & Financing Activities:</p> <ul style="list-style-type: none">Net adjustment from the sale of short term and long-term investments has decreased from £11,131k to nil as this is now classified within Investing Activities.Note 39 : Purchase of Short-Term and Long-Term Investments have been increased from nil to £73,200kGross Receipts From Short Term & Long-Term Investments have been increased from nil to £84,331k <p>The net figure agrees to the amount previously shown within operating activities (e.g.no change in the net figure)</p> <p>In total, there is a £2k trivial impact on the Net Increase / (Decrease) in Cash & Cash Equivalents.</p>	Cash Flow Statement	✓

Audit adjustments (continued)

Misclassification and disclosure changes

No.	Adjustment Type	Description and value	Account Balance	Updated in the revised accounts?
18.	Disclosure	Within Note 26, the audit team have noted an error within the liability disclosure table where the table did not reflect the IFRS 16 adjustment made to the liability. This has resulted in the table being updated within the final accounts to include a balance at 1st April 2024 including the transitional adjustment (£17,892k) and the payment made during the year has been increased by £1,185k to reflect the amounts paid per the General Ledger.	Note 26 – Private Finance Initiatives and Similar Contracts	✓
19.	Disclosure	During the audit of the group financial statements, we identified that the original draft accounts did not include a separate note disclosing the Group’s Property, Plant & Equipment (PPE). In accordance with the CIPFA Code of Practice and relevant accounting standards, group accounts must include full disclosure of material PPE balances consolidated from subsidiary entities. Management have amended the accounts to include said note with figure for both the parent entity and their subsidiaries.	Group Accounts – Note H – Property, Plant and Equipment	✓
20.	Disclosure	Updated note 18 to reflect non adjusting post balance sheet event regarding the transfer of three schools to academy status after the year end amounting to a net book value of £8.4m	Note 18, Events After the Balance Sheet Date	✓
21.	Disclosure	Other minor presentational adjustments were made throughout the financial statements on various pages to further improve disclosures.	Various	✓

Audit adjustments (continued)

Impact of unadjusted misstatements 2024-25

The table below provides details of unadjusted misstatements identified during the audit which have not been made within the final set of financial statements due to immaterial nature. This has no impact to Council and group’s Usable General Fund reserves.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
Dr PFI Liability	-	5,854	-	-	
Cr Comprehensive Income and Expenditure Statement (REFCUS)	(5,854)	-	-	(5,854)	
Dr General Fund Reserves (MIRS)	-	-	-	5,854	
Cr Capital Adjustment Account (Reserves)	-	(5,854)	-	-	
Overall impact of current year unadjusted misstatements	Decrease expenditure by 5,854	0	Decrease net expenditure by 5,854	0	Not material

Misstatements identified by Grant Thornton UK LLP financial modelling specialists in relation to remeasurement of PFI liability due to introduction of IFRS16 as discussed with management and management specialists.
Recommendation made to revisit this in 2025-26

Impact of un-adjusted misstatements 2023-24

There were no unadjusted mis-statements for 2023-24 over our reporting threshold.

Action plan

We set out here our recommendations for the Authority which we have identified as a result of issues identified during our financial statement audit for year ended 31 March 2025. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Medium</div></div>	<p>Schools transactions and cash position at the year end</p> <p>At the year end closedown, the Council provides each school with a reporting timetable for which all items relating to Cash was due to be reported by end of 3rd Friday in March. For 2025, this was 21 March 2025. The transactions between this date and the 31st March 2025 (reporting date) are captured by BMBC as “reconciling items” mainly via manual journal entries. GT have performed testing of a sample of schools to ensure all transactions between 21st March to 31st March are captured within the year end financial statements. No issues have been noted from our testing.</p> <p>Given there is a gap between data being captured and the year-end date, there is a risk that that material transactions may happen during this period, and this could lead to the need for a time consuming, potentially inefficient and challenging task during accounts closedown, where there is an increased risk of error.</p>	<p>We recommend that management undertake a review of the school's closedown process to align this with the year end date (31 March), in light of the risk involved of significant transactions occurring at the year end and potential to give rise to material errors in the financial statements.</p> <p>Management response (Nov 2025)</p> <p>Schools are provided guidance in regard to accruals to ensure any material transactions are included within the correct financial year. A new step will be built into the closedown process with schools to gather any information regarding transactions that may have occurred post current schools cut off date (20th March) to ensure accruals have taken place.</p>
<div><div>●</div><div>Medium</div></div>	<p>OCAL Loan agreement</p> <p>The Council has currently provided three loans to their subsidiary OCAL Limited.</p> <p>Two loans have formal agreements and a payment plan in place for which payments currently are being made in line with the plan. One loan however dating back to 2005 does not have a formal agreement in place nor does it have a set payment plan.</p> <p>The risk is , with no formal agreement for such a loan may impact Council’s proper governance and internal control environment.</p>	<p>The Council should consider having a signed loan agreement with a payment plan for this specific loan with OCAL</p> <p>Management response (Nov 2025)</p> <p>All loans between the council and OCAL will be merged into 1 loan with a single loan agreement</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Low</div></div>	<p>Review of Nil NBV Assets within the Fixed Asset Register</p> <p>During the audit, we noted that the fixed asset register includes a significant number of assets recorded at a nil net book value. While it is common for fully depreciated assets to remain in the register, there is a risk that some of these assets may have been disposed of and no longer in use but have not been formally removed from the register. Other hand , there is a possibility that asset is still being used to gain economic benefit for the Council and the useful economic life may need to be re-assessed. From our review we have identified a total of 1,392 assets which carry a Net Book Value of Zero and a gross book value of c£40k. Whilst it does not impact the value of PPE assets carried within the Balance Sheet at the reporting date and true and fairness of the financial statements, it is considered a good practice for the authority to undertake this review which coincides with the transition to the new CIPFA asset management system for 2025-26 year.</p>	<p>We recommend that the Council undertake a comprehensive review of all assets held at nil net book value within the fixed asset register. This review should aim to:</p> <ul style="list-style-type: none">Identify assets that have been disposed of or are no longer in operational use.Remove such assets from the register where appropriate, ensuring that disposals are appropriately disclosed within Note 19 & the CIES. <p>Management response (Nov 2025)</p> <p>A full review of all current assets held in the asset register at nil value will be undertaken to determine if these assets are still operational before taking appropriate actions.</p>
<div><div>●</div><div>Medium</div></div>	<p>Journals with no descriptions</p> <p>During our audit procedures, we identified a number of journal entries posted without accompanying descriptions. These journals with blank descriptions reduce the ability to understand the rationale behind certain postings, particularly where manual journals are involved.</p> <p>The audit team have noted that 26% of the general ledger population have been posted without a journal description. Whilst it is noted that the journals posted without any descriptions are largely automated journals either posted via a system interface (e.g. BATCH_USER) or a user instructing the system to post a journal, there were still a number of manual journals which have been posted without accompanying descriptions.</p>	<p>To further improve transparency, accountability and clear audit trial, we recommend the management to introduce a process that all manual journals should have an associated description, explaining the journal.</p> <p>Management response (Nov 2025)</p> <p>The manual journal process will be reviewed to ensure appropriate descriptions are provided</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Low</div></div>	<p>Terms of Engagement</p> <p>Our review of the terms of engagement between the Council and it’s valuation expert, identified that the terms of engagement did not possess all the necessary mandatory information as required by RICS Valuation guidance – Global Standards (Red Book), specifically PS 1: Compliance with standards and PS 2: Ethics, competency, objectivity and disclosures, and the related Terms of Engagement requirements.</p> <p>Whilst this matter did not impact our audit work and strategy or the risks identified, it is important that the Council engages professionals and experts using comprehensive and relevant Terms of Engagement.</p>	<p>As a good practice, we recommend the Council to ensure correct Terms of Engagement are applied when engaging valuation specialists, including terms as specified in RICS guidance.</p> <p>Management response (Nov 2025)</p> <p>We will review the terms of engagement provided by the appointed valuer to ensure it meets the necessary requirements and seek amendments where necessary</p>
<div><div>●</div><div>Low</div></div>	<p>Revisiting certain PFI Models in 2025-26 to further understand the impact on PFI liabilities due to the introduction of IFRS16</p> <p>The Council used a specialist to assess the impact on PFI liabilities due to the introduction of IFRS16 and subsequent remeasurement of such liabilities. We also used our own financial modelling specialists within Grant Thornton in this respect , reviewing Council’s PFI models and checking the amounts determined by management specialist. We challenged the management and management specialist on allocation of indexation on certain PFI models (management is aware of those models) to contingent rent only rather than both contingent rent and services based on the actual unitary charge. The difference was not material and reported as an unadjusted misstatement. If corrected, the actual PFI liability reported in the accounts would reduce which is an indication that there is no management bias in relation to remeasurement of this PFI liability.</p> <p>However, we consider , it is appropriate to revisit this and investigate these differences as part of 2024-25 accounts closedown process to minimise such differences occurring.</p>	<p>We recommend the Council to revisit certain PFI models and investigate the appropriateness of allocating indexation to contingent rent and services, based on the actual unitary charge, to more accurately reflect the year end PFI liabilities.</p> <p>Management response (Nov 2025)</p> <p>In planning for the 2025/26 accounts closure management will work with the PFI specialists used to determine whether or not to change the model moving forwards.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan – IT Audit work

Assessment	Issue and risk	Recommendations
● Medium	<p>Users with access to perform "Debug" activities in production</p> <p>Our IT audit procedures identified Nine (9) users with access to critical “Debug” activity.</p> <p>We further observed that these users have made program attribute and master data changes during the audit period.</p> <p>Risk</p> <p>Unauthorised access to ABAP debugger granted via S_DEVELOP authorisation object in change mode increases the risk of unauthorised change or deletion of table entries including tables that are typically protected by SCC4, the ability to perform debugging functions by inserting break-point statements into program code and the ability to bypass authority checks and execute transactions user is not authorised to execute through inserting break-point statements into program code and bypassing authority checks .</p>	<ul style="list-style-type: none">• It is recommended that the management remove ABAP debugger access permanently from user accounts in production.• It is best practice to use Firefighter accounts with an approved business case and set validity period. <p>Management response (August 2025) : Reviewed Appendix A, all 9 of the users were Rimini Street engineers. On checking , 1 account, XKRISHNAS had no roles assigned, this is a Functional FireFighter account which was activated at the time of audit. The remaining 8 accounts are all Rimini Street SAP Basis engineers; we identified the role they had with S_DEVELOP (change) and this has been removed from all user accounts as advised. Action completed.</p> <p>A “FireFighter” approach will be taken in future should access to the transactions/authorisations in the removed role be required.</p>
● Medium	<p>Users with inappropriate access to maintain all SAP Standard or Customised tables in production</p> <p>Our IT audit procedures identified twenty-five (25) Dialog user accounts (10 / 25 users belongs to Absoft) that were assigned access to maintain all SAP standard or customised tables via SM30 or SM31.</p> <p>We performed further procedures to determine whether there had been changes to those tables during the audit period and observed that these users had maintained critical tables during the audit period.</p> <p>Risk</p> <p>Access to maintain all standard or customised SAP tables creates a risk that unauthorised table maintenance functions can be performed and result in data integrity issues</p>	<ul style="list-style-type: none">• Management should segregate a user’s ability to maintain all the standard or customised SAP tables within production.• We recommend that for the users identified, management should consider assigning access to relevant table groups or individuals tables via S_TABU_DIS and S_TABU_NAM authorisation objects rather than assigning the authorisation values to “*”. <p>Management response (August 2025) : The 10 Absoft accounts in ECC6 PRD were initially kept active at the end of the contract to allow for activities in flight to be logically concluded if required (up to and including Financial Year End). Unfortunately, following the transition period to Rimini Street the Absoft accounts were not removed as had been anticipated. These accounts will be removed by the end of August 2025.</p> <p>Reviewed Appendix B, 2 of the listed users were Absoft users (XGLENC and XPHOEBEA) – these will be removed as part of the Absoft cleanse. 4 were BMBC user accounts, 8 Rimini Street (RS) SAP Basis accounts and 1 (XKRISHNAS) was a FireFighter account active at the point of audit.</p> <p>We believe that for the RS users may be able to remove SM30/SM31 from their roles. For the remaining users we will investigate SM30/SM31 activities and look to restrict access via S_TABU_DIS and S_TABU_NAM where operationally applicable. This work will be completed by end of October 2025.</p>

Action plan – IT Audit work

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Medium</div></div>	<p>Finance users with ability to monitor or updated scheduled batch jobs for all users</p> <p>We noted that there are two (2) Finance Users and Ten (10) dormant users from ‘Absoft’ with access to batch administration with ability maintain, update scheduled jobs for all users.</p> <p>Risk</p> <p>A combination of administration and financial privileges creates a risk that system-enforced internal controls can be bypassed.</p>	<ul style="list-style-type: none">• Management should consider assigning SM37 access to business users without S_BTCH_ADM and S_BTCH_NAM authorisation objects. Management should undertake a review of all users allocated roles that include access to the T-codes SM36 and SM37, with authorisation S_BTCH_ADMIN to ensure that there is a legitimate business requirement for access, in relation to the user’s current job duties.• Where management is unable to fully segregate access for operational reasons, alternative options to mitigate the risk could include performing a review of batch management activity logs. These should be regularly reviewed for appropriateness by an independent individual with evidence retained. <p>Management response (August 2025)</p> <p>The 10 Absoft accounts in ECC6 PRD were initially kept active at the end of the contract to allow for activities in flight to be logically concluded if required (up to and including Financial Year End). Unfortunately, following the transition period to Rimini Street the Absoft accounts were not removed as had been anticipated. These accounts will be removed with immediate effect.</p> <p>Reviewed Appendix C. SANDRABE, the role that gave access to SM36/SM37 S_BTCH_ADMIN has been removed. SANDRABE was identified on previous audit review but was not actioned in the agreed period as envisaged. We anticipated at that time that the issue would be resolved as part of comprehensive roles and licensing work in the final quarter of 2024. A range of changes were made to roles, the agreed action unfortunately got lost in that work.</p> <p>LIAMJ – In the previous years audit (2024) it was accepted by management at that time that LIAMJ retained these permissions due to the requirements of his senior role in Payroll.</p>

Action plan – IT Audit work

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Medium</div></div>	<p>SOD conflict - Users with ability to Develop and Import changes into production system.</p> <p>Our IT audit procedures identified Three (3) Dialog user accounts with access to Develop and Import their own changes into the production system. (10 users belongs to Absoft)</p> <p>We further noted that there are 121 unique transport requests 'Developed' and 'Imported' by one user during the audit period.</p> <p>Risk</p> <p>The combination of access to develop and implement those changes in the production environment creates a risk that inappropriate or unauthorised changes are made to data and/ or programs.</p>	<ul style="list-style-type: none">• Management should segregate a user’s ability to develop and implement changes. Privileged access to the production environment should be revoked from users that are involved in development.• Where management is unable to fully segregate access for operational reasons, alternative options to mitigate the risk could include performing a review of change implementation activity logs. These should be regularly reviewed for appropriateness by an independent individual with evidence retained. <p>Management response (August 2025)</p> <p>The 10 Absoft accounts in ECC6 PRD were initially kept active at the end of the contract to allow for activities in flight to be logically concluded if required (up to and including Financial Year End). Unfortunately, following the transition period to Rimini Street the Absoft accounts were not removed as had been anticipated. These accounts will be removed by end of August 2025.</p> <p>Reviewed Appendix D, 2 of the users (XGLENC and XPANOSK) are Absoft accounts which will be removed a part of the Absoft user cleanse detailed above.</p> <p>JAMESTI has permissions to develop and import changes into PRD, However there are internal controls within the transport process which restrict the person who generates a transport from moving their own transport through the landscape. Any internal transports are recorded on Master Transport Log and the transport owner and person who moves it are recorded.</p> <p>Rimini Street functional engineers create transports which are moved through the landscape by a different SAP Basis Team within Rimini Street, a larger Team ensure the transport owner and the mover are never the same person, a Transport Log is maintained for all transports. These logs will be reviewed on a bi-annual basis with the first review being February 2026.</p>

Action plan – IT Audit work

Assessment	Issue and risk	Recommendations
<div>●</div> <div>Medium</div>	<p>Dormant users still active in production system (Absoft)</p> <p>It was noted that the service engagement with Absoft concluded in November 2024, with the new service provider, Riministreet, was onboarded in December 2024. However, Ten (10) user accounts associated with Absoft were not deactivated and remained active without being locked, having validity restrictions applied, or having their roles removed.</p> <p>Further review confirmed that none of these users have logged into the system since November 2024.</p> <p>Risk</p> <p>Where system access for dormant users is not disabled in a timely manner, there is a risk that former employees will continue to have access and can process erroneous or unauthorised access transactions.</p> <p>There is also a risk that these accounts may be misused by valid system users to circumvent internal controls.</p>	<ul style="list-style-type: none">• Management should ensure that a comprehensive user administration procedures are in place to revoke application access in a timely manner. For a user administration process to be effective, IT must be provided with timely notifications from HR and/ or line managers (Internal / External)• Management should consider performing user access reviews on all terminated accounts to ensure all accounts have been disabled in a timely manner.• Where old or unused accounts have been identified, these should be immediately revoked. <p>Management response (August 2025)</p> <p>The 10 Absoft accounts in ECC6 PRD were initially kept active at the end of the contract to allow for activities in flight to be logically concluded if required (up to and including Financial Year End). Unfortunately, following the transition period to Rimini Street the Absoft accounts were not removed as had been anticipated. These accounts will be removed by end of August 2025.</p> <p>As part of our licencing management strategy, we will implement a bi-annual review of user accounts to ensure that an additional check is in place to confirm that unused accounts are identified and removed in a timely manor. First review will take place by the end of February 2026.</p>

Action plan – IT Audit work

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Medium</div></div>	<p>Dormant users still active in production system with Developer access keys in production system</p> <p>We observed that there were 5 user accounts with a developer access key in production. We further observed that these users were also included in last year’s review. All five users do not have any account lock or validity restrictions in place.</p> <p>However, none of these users logged into the SAP during audit period.</p> <p>Risk</p> <p>Where system access for dormant users is not disabled in a timely manner, there is a risk that former employees will continue to have access and can process erroneous or unauthorised access transactions.</p> <p>There is also a risk that these accounts may be misused by valid system users to circumvent internal controls.</p>	<ul style="list-style-type: none">• Management should ensure that a comprehensive user administration procedures are in place to revoke application access in a timely manner. For a user administration process to be effective, IT must be provided with timely notifications from HR and/ or line managers (Internal / External)• Management should consider performing user access reviews on all terminated accounts to ensure all accounts have been disabled in a timely manner.• Where old or unused accounts have been identified, these should be immediately revoked. <p>Management response (August 2025)</p> <p>All relevant user accounts were reviewed.</p> <p>This issue was highlighted on a previous audit in 2019. The management response remains the same. The recommendation provided is contradictory to SAP Best Practice Guidance. SAP Note 1710320 states that SAP does not provide a method of maintaining this table and that they do not recommend performing manual maintenance of the table. Management accept the findings but the risk is greater to manually change database tables so risk is accepted.</p>

Action plan – IT Audit work

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Low</div></div>	<p>Inappropriate segregation of duties as users have ability to configure and delete audit logs in production</p> <p>We performed a comparison of all users with the ability to configure audit logs within production via SM19 with those with the ability to re-organise or delete them in production using SM18 and we identified nine (9) user with both access rights</p> <p>We further noted that audit logs are currently captured and managed via external tool "Profile Tailor" and audit logging withing is SAP system is currently inactive.</p> <p>There is a risk that audit logging could be activated inappropriately, which may adversely affect system performance.</p> <p>Kindly refer to "Appendix G" in file "Barnsley MBC - 2025 - IT Audit Report - Appendix.pptx" for user details.</p> <p>Risk</p> <p>Users with access to SM19 and SM18 have the ability to configure and delete audit logs on SAP. Hence, inappropriate and anomalous activity may not be detected and resolved in a timely manner</p>	<ul style="list-style-type: none">• Management should segregate a user’s ability to configure(SM19) and delete(SM18) user security event logs within production.• If for operational reasons access cannot be fully segregated, alternative options to mitigate the risk could include usage of Firefighter accounts with a set validity period based on formal approvals. <p>Management response (August 2025)</p> <p>Reviewed Appendix G, On checking , 1 account, MUGHIS001 was assigned the permissions temporarily to produce audit evidence, this has subsequently been removed. The remaining 8 accounts are all Rimini Street SAP Basis engineers; we identified the role they had with SM19 and SM18 and this has been removed from all user accounts as recommended. Action completed.</p> <p>A FireFighter approach will be taken in future should access to the transactions/authorisations in the removed role be required</p>

Progress against prior year audit recommendations

We identified the following areas in our 2023-24 audit of the Council’s financial statements, which resulted in 3 recommendations being reported in our 2023-24 Audit Findings Report. We have followed up on the implementation of our recommendations and our assessment will be reported as part of our Audit Findings (ISA 260) report for 2024-25 in November 2025.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Action completed	1. IFRS 16 ‘Leases’ implementation from 1 April 2024	Recommendation We recommend the Council to accelerate the implementation and identification process of assets within the scope of IFRS16 to ensure such assets are completely and accurately captured before 2024-25 accounts closedown.
	IFRS 16 will need to be implemented by local authorities from 1 April 2024. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. This is a shadow year (23-24) for the implementation of IFRS 16.	Management response – November 2024 Agreed. An IFRS16 implementation team has been set up to assess the requirements and ensure an efficient adoption of the new accounting standard. A training session by our treasury management advisors has been held for key services across the council to raise awareness.
	IFRS 16 updates the definition of a lease to: “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.” In the public sector the definition of a lease is expanded to include arrangements with nil consideration. IFRS 16 requires all leases to be accounted for ‘on balance sheet’ by the lessee (subject to the exemptions below), a major departure from the requirements of IAS 17 in respect of operating leases.	The implementation team works with colleagues in Facilities Management, Legal and Procurement as well as other key officers across the Council to identify a list of possible leases and understand the impact. Processes are being reviewed including within procurement and contracts management to ensure that all leases are identified and captured. Further briefing sessions are being planned for SMT and DMTs over the next few months. The new standard will be publicised on the intranet along with the revised processes.
	This process is a time and resource consuming exercise, to identify such lease contracts and ensure they are complete and accurate. A Council of Barnsley’s size (large metropolitan Council) would potentially have many such contracts to be considered/identified, to ensure those are within the scope of IFRS16 standard.	We are also currently working with CIPFA to procure its asset register software which will hold the leases data as well as undertake the accounting calculations required for lease accounting. It will also be able to record the Council’s non-current assets data.
	The Council has reported of this new standard in the accounts under Technical Annex D, ‘Accounting Standards that have been issued but have not yet been adopted’ but no indication of any estimated impact disclosed. Considering this is a time and resource consuming task and potential high number of such contracts at the Council, the implementation of this exercise should be accelerated, for understanding the impact and incorporating in 24-25 financial statements where the year-end is c4 months from this report date. If not, the risk is , Council not identifying all the contracts within the scope of IFRS16 and potential misstatements in 2024-25 Statement of Accounts.	Management Comment – May 2025 The IFRS 16 Implementation team have undertaken a significant exercise throughout the last year to identify all lease arrangements. We have engaged with external consultants to provide advice on specific issues (e.g PFI). The team is confident that all work will be completed and incorporated into the year end accounts to be submitted on 30th June 25. The team will provide external audit a detailed process and procedure notes as part of the audit. GT November 2025 : Our work during 2024-25 audit indicated this is now complete and no further actions required in relation to this recommendation.

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Action Completed	<p>2. Classification of Grant Income</p> <p>Our work on Grant Income (note 15) identified a number of misclassification misstatements (see appendix D). Whilst these have no impact to the bottom line of the Comprehensive Income and Expenditure Statement (CIES), it indicates that there is scope for improvement to further review the grant income and documentation before positing these correctly to either specific services in cost of services or crediting to taxation and non -specific grant income.</p> <p>If not, there is a risk that grant income is recognised incorrectly in the CIES. Improving the review process and clearly identifying the type of grant would reduce the time of amending for such misclassification errors.</p>	<p>Recommendation</p> <p>We recommend the Council to strengthen the review process around correctly identifying the type of grant income before posting to the CIES appropriate heading.</p> <p>Management response – November 2024</p> <p>The Council’s year end processes will be updated to ensure all documents and postings surrounding the accounting treatment of grant income are updated with clear details of each grant so that they are correctly accounted for in future years. A further two stage review will be adopted as part of the integrity check process whereby, a Strategic Finance Business Partner together with the Strategic Finance Business Partner (Statutory accounts) will review all grant income process prior to submission.</p> <p>Management comment – May 2025</p> <p>The year end process of the identification and recording of grant income has been updated accordingly. The accounts integrity check process has also been enhanced to provide additional assurance with an additional step in reviewing the notes and CIES.</p> <p>GT Comment November 2025: Our work during 2024-25 audit indicated this is now complete and no further actions required in relation to this recommendation.</p>

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Work in progress	<p>Frequency of Heritage Assets valuations and ensuring the valuations remain appropriate (from 2022-23 audit)</p> <p>The Council holds Heritage Assets, currently reported at just over £11m as at 31 March 2023.</p> <p>According to the Local Government Code guidance, valuations of heritage assets can be made by any method (e.g. insurance , qualified valuer etc..) that is appropriate and relevant. There is no requirement for valuations to be carried out or verified by external valuers, nor is there any prescribed minimum period between valuations.</p> <p>However, where heritage assets are measured at valuation, the code prescribes that carrying amount shall be reviewed with sufficient frequency to ensure the valuations remain current.</p> <p>The Council’s last valuation of Heritage Assets was carried out in 2009, which was 14 years ago. Whilst we recognise there is no prescribed minimum period between valuations , we also recognise the Code guidance that valuations should be undertaken with sufficient frequency to ensure it remains reasonably current and not out of date. The risk is, reporting certain Heritage Assets at valuation method and not valuing for a significant period of time, their current value could be misstated.</p> <p>We recognise striking a reasonable balance in reviewing the valuations with sufficient frequency would be appropriate.</p>	<p>Recommendation</p> <p>We recommend the Council should consider carrying out Heritage Assets valuations with sufficient frequency, to ensure the valuations remain current given that the previous valuation was performed in 2009.</p> <p>Management response – November 2023</p> <p>Agreed. Moving forwards more regular valuations will be undertaken on all heritage assets the Council owns, in line with the accounting policy for property plant and equipment. This will commence from 2023/24 where larger, higher value assets will be revalued first.</p> <p>Management update – May 2024</p> <p>Work has commenced to identify an appropriate valuer for the council’s heritage asset stock. Given the cumulative volume of assets, the availability of a suitable valuer (given the specialist nature of assets), and the fact that any change in value is highly unlikely to be material, the work to revalue all assets has not commenced. This work will commence during 2024 in preparation for the 24/25 accounts.</p> <p>Management Comments – November 2024</p> <p>We have identified an appropriate valuer but due to their workload pressures they have not been able to commence the work of re-valuation. They are hoping to commence this work in the new year with the view to it being completed in time for completion of the 2024/25 accounts .</p> <p>Management Comments – May 2025</p> <p>Work is ongoing regarding the valuation of heritage assets. The Heritage team is working with the valuer Bohams to ensure a thorough exercise is undertaken. However, due to focus of the team on IFRS16 it is unlikely that this work will be completed in preparation for the 2024/25-year end accounts process</p> <p>Management Comment – November 2025</p> <p>A specialist valuer has now been identified and a contract agreed. Information has been provided to the appointed valuer with valuations set to be undertaken in the run up to year end 31st March 2026</p>

8 Value for Money arrangements

Value for Money arrangements

Approach to Value for Money work for the year ended 31 March 2025

The National Audit Office issued its latest Value for Money (VFM) guidance to auditors in November 2024. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Additionally, The Code requires auditors to share a draft of the Auditor's Annual Report (AAR) with those charged with governance by 30th November each year from 2024-25.

Our draft AAR will be reported to you on 12 November at Audit and Governance Committee meeting alongside this report. Please refer to our AAR for detail findings of our VFM work which is not repeated here.

In undertaking our work, we are required to have regard to three specified reporting criteria. These are as set out below.



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.

In undertaking this work we have not identified any significant weaknesses in arrangements.

9 Independence considerations

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms. In this context, there are no independence matters that we would like to report to you.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard

Further, we have complied with the requirements of the National Audit Office’s Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority or group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Authority or group or investments in the group held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Authority or group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Authority or group.]
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Authority/group, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council’s Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Audit fees and non-audit services

The following tables (pages 63 and 64) below sets out the total fees for audit and non-audit services that we have been engaged to provide or charged from the beginning of the financial year to [a current date, add any relevant comments on expected fees if necessary], as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The non-audit services (page 64) are consistent with the Council’s policy on the allotment of non-audit work to your auditor.

None of the below services were provided on a contingent fee basis

For the purposes of our audit, we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Barnsley Metropolitan Borough Council . The table (page 64) summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these

Audit fees	£
Audit of Authority (scale fee set by PSAA for 2024-25 as reported in the Audit Plan)	404,805 **
Additional fees relating to the review of the Council’s implementation of IFRS 16 not included within the PSAA scale fee for 2024-25. Once we have completed our review of IFRS 16 we will confirm the additional fees – see pages 26/27 for further details on IFRS16 work	TBC (as work is still ongoing)
Total	(£) 404,805 (TBC)

** Further to the adjustment reported at page 42 on note 14 External Audit Costs , the figure agrees to the Statement of Accounts note 14 which is consistent with the scale fee set by PSAA.

Audit fees and non-audit services

Service	Fees £	Threats identified	Safeguards
Audit related – non audit fees			
Certification of Pooling Housing Capital Receipts return	10,000	<div>Self-Interest (because this is a recurring fee)</div> <div>Self review (because GT provides audit services)</div> <div>Management (because GT provides audit services)</div>	<div>The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £10,000 in comparison to the total fee for the audit of £404,805 and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.</div> <div>To mitigate against the self- review and self-interest threats, the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.</div> <div>This audit work is also no longer completed by the audit team set out on page 3, but by our separate specialist grants audit team.</div>
Certification of Teachers Pension Return	12,500	<div>Self-Interest (because this is a recurring fee)</div> <div>Self review (because GT provides audit services)</div> <div>Management (because GT provides audit services)</div>	<div>The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £12,500 in comparison to the total fee for the audit of £404,805 and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.</div> <div>To mitigate against the self-review and self- interest threats, the materiality of the amounts involved are not significant to our accounts opinion, there is an unlikelihood of material errors arising, and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.</div> <div>This audit work is also no longer completed by the audit team set out on page 3, but by our separate specialist grants audit team.</div>
Certification of Housing Benefit Claim	*35,065	<div>Self-Interest (because this is a recurring fee)</div> <div>Self review (because GT provides audit services)</div> <div>Management (because GT provides audit services)</div>	<div>The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is *£35,065 in comparison to the total fee for the audit of £404,805 and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.</div> <div>To mitigate against the self -review and self- interest threats, the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.</div> <div>This audit work is also no longer completed by the audit team set out on page 3, but by our separate specialist grants audit team.</div>

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*** NOTE on Housing Benefit work and fees:**

– The £35,065 is the base fee for the 2023-24 Housing Benefit Subsidy certification

In addition, as per prior years, for each 40+ HB testing undertaken, there will be additional fees to be raised. The value will be dependent on whether the detailed testing is performed by the Council and reperfomed by us, or directly performed by Grant Thornton.

Additional fee analysis – fee variation for in year work

The following table sets out further information on additional fees.

Grade	Rate (Determined by PSAA)	Hours	Fee variation for Audit 2024/25
Partner/Director	£428	1.5	642
Senior Mgr/ Mgr	£236	2.5	590
Senior Auditor	£153	25	3,825
Other staff	£117		
Total (rounded to nearest thousand £)		29	5,000

The above is subject to review by PSAA who will make a final determination.





10. Appendices

- A. Communication of audit matters with those charged with governance
- B. Our team and communications
- C. Logistics
- D. Management letter of representation – Draft
- E. Audit opinion - Draft

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud (as applicable)	●	●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		
Non-compliance with laws and regulations		
Unadjusted misstatements and material disclosure omissions		
Expected modifications to the auditor's report, or emphasis of matter		

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, The Audit Findings. Barnsley Council 2024-25, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

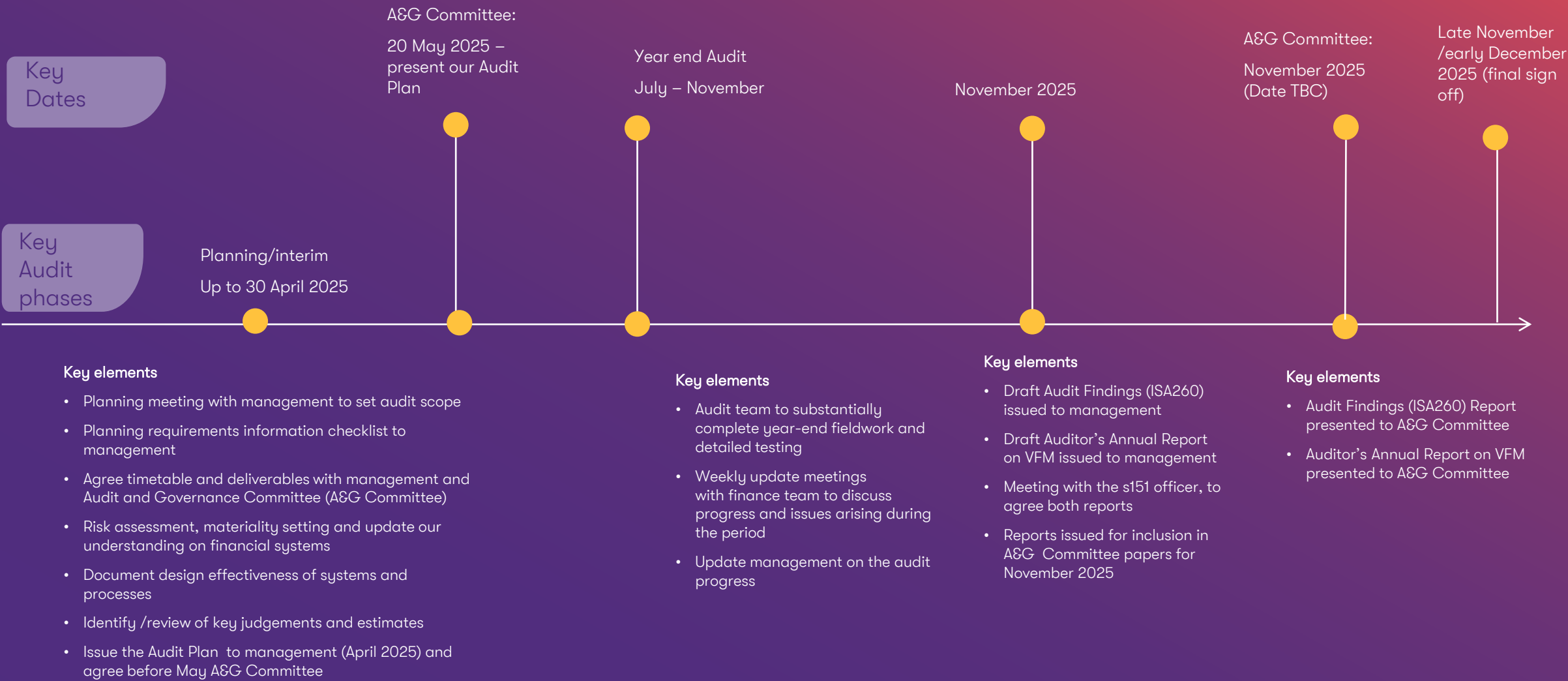
Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

B. Our team and communications

<div><div><div>Michael Green</div><div>Key Audit Partner & Engagement Lead</div></div><div><ul style="list-style-type: none">• Key contact for senior management and Audit and Risk Committee• Overall quality assurance</div></div>		<div><div><div>Thilina De Zoysa</div><div>Senior Audit Manager</div></div><div><ul style="list-style-type: none">• Audit planning and delivery• Main contact for the finance team and senior management• Project and Resource management of the delivery of the audit• Performance management reporting</div></div>		<div><div><div>Joseph Hanks</div><div>Audit Supervisor and In-charge</div></div><div><ul style="list-style-type: none">• Audit team management• Day-to-day point of contact• Audit fieldwork delivery and supervision</div></div>		<div><div><div>Andy Nichols</div><div>VFM Lead</div></div><div><ul style="list-style-type: none">• Value for Money (VFM) planning• Main contact for the review of VFM arrangements• Development of the VFM commentary in the Auditor's Annual Report</div></div>	
Service delivery		Audit reporting		Audit progress		Technical support	
Formal communications	<ul style="list-style-type: none">• Quarterly meetings with the Executive Director of Finance	<ul style="list-style-type: none">• The Audit Plan• The Audit Findings (ISA260) Report• Auditor's Annual Report on VFM• Progress and Sector Update Reports• Quarterly meetings with the Executive Director of Finance		<ul style="list-style-type: none">• Audit planning meetings• Audit progress meetings – weekly during final accounts audit work• Communication of issues log• Regular meetings with your finance team on day-to-day audit matters and progress		<ul style="list-style-type: none">• Technical updates	
Informal communications	<ul style="list-style-type: none">• Open channel for discussion			<ul style="list-style-type: none">• Communication of audit issues as they arise		<ul style="list-style-type: none">• Notification of up-coming issues	

As part of our overall service delivery, we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Assistant Manager and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

C. Logistics



D. Management letter of representation (draft –unsigned)

Prepare on client letterhead

Grant Thornton UK LLP
Landmark, St Peter's Square
1, Oxford Street
Manchester
M1 4PB

[Date : Insert the date of signing the Audit Opinion]

Dear Grant Thornton UK LLP

Barnsley Metropolitan Borough Council Financial Statements for the year ended 31 March 2025

This representation letter is provided in connection with the audit of the financial statements of Barnsley Metropolitan Borough Council ("the Authority") and its subsidiary undertakings ~~Barnsley Homes Limited~~, Penistone Grammar Trust and Oakwell Community Assets Limited ("the group") as shown in Appendix I to this letter, for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the group and Authority financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities, as set out in the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited, for the preparation of the group and Authority's financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the group and Authority and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Authority has complied with all aspects of contractual agreements that could have a material effect on the group and Authority financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

D. Management letter of representation (draft –unsigned)

- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for International Accounting Standard 19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the group and Authority financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of the group and Authority has been assigned, pledged or mortgaged; and
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached to this letter. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Council and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xii. We have considered whether the Council is required to reflect a liability in respect of equal pay claims within its financial statements following receipt of a number of claims after the Balance Sheet date. We confirm that we are satisfied that, based on assessment of the claims received, legal advice obtained and the preliminary hearings have yet to take place, no provision or liability needs to be recognised. As disclosed in the financial statements, the Council received notice of Equal Pay claims against it from the Employment Tribunal on 27 August 2025. The Council responded to these claims on 18 September 2025 and is currently analysing the validity of the claims and awaiting the date of the Employment Tribunal preliminary hearing. As such, it is yet to be confirmed whether or not the Council has a present obligation arising from past events and therefore in accordance with IAS37 the matter is reported as a contingent liability.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment. We continue to believe that the group and Authority's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
 - a. the nature of the group and Authority means that, notwithstanding any intention to cease the group and Authority operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
 - b. the financial reporting framework permits the Authority to prepare its financial statements on the basis of the presumption set out under a) above; and
 - c. the group and Authority's system of internal control has not identified any events or conditions relevant to going concern.

D. Management letter of representation (draft –unsigned)

We believe that no further disclosures relating to the group and Authority's ability to continue as a going concern need to be made in the financial statements.

- xv. We have considered whether accounting transactions have complied with the requirements of the Local Government Housing Act 1989 in respect of the Housing Revenue Account ring-fence.
- xvi. The group and Authority has complied with all aspects of ring-fenced grants that could have a material effect on the group and Authority's financial statements in the event of non-compliance.
- xvii. We confirm that the Life Cycle Account and the balances held in this bank account as at 31 March 2025 (£5,430,777.72) is not controlled or owned by the Council and therefore not included in the financial statements as at 31 March 2025

Information Provided

- xviii. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the group and Authority's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the group and Authority from whom you determined it | necessary to obtain audit evidence.
- xix. We have communicated to you all deficiencies in internal control of which management is aware.
- xx. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xxi. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and Authority, and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xxiii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiv. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxv. We have disclosed to you the identity of the group and Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxvi. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxvii. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the group and Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

D. Management letter of representation (draft –unsigned)

Narrative Report

xxviii. The disclosures within the Narrative Report fairly reflect our understanding of the group and Authority's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was ~~minuted~~^{approved} by the Council's Audit and Governance Committee at its meeting on 12 November 2025 and fully approved and signed off by the relevant members at the full Council meeting on 27 November 2025.

Yours faithfully|

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Council

Appendix I List of subsidiary undertakings

- ~~Barneslaj~~^{Barneslaj} Homes Limited (BHL)
- Penistone Grammar Trust (PGT)
- Oakwell Community Assets Limited (OCAL)

Unadjusted misstatements

Unadjusted misstatements

Impact of unadjusted misstatements
The table below provides details of unadjusted misstatements identified during the audit which have not been made within the final set of financial statements due to immaterial nature. This has no impact to Council and group's Usable General Fund reserves.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
Dr PFI Liability	-	5,854	-	-	
Or Comprehensive Income and Expenditure Statement (RPFCIR)	(5,854)		-	(5,854)	
Dr General Fund Reserves (URS)	-	-	-	5,854	
Or Capital Adjustment Account (Reserves)	-	(5,854)	-	-	
Overall impact of current year unadjusted misstatements	Decrease expenditure by 5,854	0	Decrease net expenditure by 5,854	0	Not material

Misstatements identified by Grant Thornton UK LLP financial modelling specialists in relation to remeasurement of PFI liability due to IFRS16 introduction as discussed with management and management specialists. Recommendation made to reudit this in 2025-26

E. Draft Audit opinion

Independent auditor's report to the members of Barnsley Metropolitan Borough Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Barnsley Metropolitan Borough Council (the 'Authority') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Comprehensive Income & Expenditure Statement, the Movement on the Housing Revenue Account Balance, the Collection Fund, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The notes to the financial statements include the Expenditure and Funding Analysis, Notes to the core financial statements, Notes to the Housing Revenue Account, Notes to the Collection Fund, Notes to the Group Accounts, Technical Annex A, comprising the Council's Accounting Policies, Technical Annex B, comprising Critical Judgements and Assumptions, Estimations made within the Accounts and Technical Annex D, Accounting Standards that have been issued but have not yet been adopted. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2025 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Director of Finance and s151 officer, Chief Financial Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority or the group to cease to continue as a going concern.

E. Draft Audit opinion

In our evaluation of the Director of Finance and s151 officer, Chief Financial Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Director of Finance and s151 officer, Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance and s151 officer, Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement and the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Director of Finance and s151 officer, Chief Financial Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

E. Draft Audit opinion

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or,
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Director of Finance and s151 officer, Chief Financial Officer

As explained more fully in section 3, Statement of Responsibilities for the Statement of Accounts, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance and s151 officer, Chief Financial Officer. The Director of Finance and s151 officer, Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance and s151 officer, Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance and s151 officer, Chief Financial Officer is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024

E. Draft Audit opinion

and the Local Government Act 2003, the Local Government Act 1972, the Local Government and Housing Act 1989, the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) and the Local Government Finance Act 2012.

- We enquired of management and the audit and governance committee, concerning the group and Authority's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, **internal audit** and the **audit and committee**, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to management override of controls, in particular through inappropriate journal entry and management bias in making significant accounting estimates.

E. Draft Audit opinion

- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on those falling within identified criteria including:
 - material journals across the year;
 - journals posted by senior officers;
 - year-end journals;
 - post year-end journals; and
 - journals increasing useable reserves; and
 - journals posted by IT staff
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings, council dwellings and the valuation of the defined benefit pension net asset and liability; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including risks relating management override through inappropriate journal entry and management bias in making significant estimates including, the valuation of land and buildings, council dwellings and the valuation of the defined benefit pension net asset and liability. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the local government sector in which the group and Authority operates
 - understanding of the legal and regulatory requirements specific to the Authority and group including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:

E. Draft Audit opinion

- the Authority and group's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority and group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.
- For components at which audit procedures were performed, we requested component auditors report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

E. Draft Audit opinion

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for of Barnsley Metropolitan Borough Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

|

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature: To be signed

Michael Green, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Manchester

Date: To be dated



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