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Date: 19 December 2025

Dear Members

Follow-up on outstanding matters – Audit Completion Report 2024/25

Following on from our previous correspondence and as required by International Standards on Auditing (UK), we are writing to confirm matters arising that were marked as outstanding within our Audit Completion Report, dated 15 October 2025, and presented to the Audit Committee on 23 October 2025.

The outstanding matters that we described in our Audit Completion Report and the conclusions reached are detailed below:

Outstanding Matter	Update and conclusion reached
IFRS 16, Leases	No issues identified
Revenue Expenditure Funded from Capital Under Statute (REFCUS)	No issues identified
Cash and cash equivalents	No issues identified
Other areas of work	<p>The main issue arising and the reason for the very long delay before being signing off the audit has been a protracted delay in receiving the audit assurance letter from the auditor of the East Riding Pension Fund. We received the final letter from them today. There was a net overstatement of Pension Fund assets, but your share of this was only £2.734m which is not material.</p> <p>There were some other relatively minor issues to report from our remaining work, including two further unadjusted misstatements. These mirror issues reported in prior years and were not material.</p>

Outstanding Matter	Update and conclusion reached
Other areas of work (continued)	<p>The main purpose of the analysis of unadjusted misstatements in the Appendix to this letter is to demonstrate that these potential adjustments (which are estimated and based on assumptions or extrapolation) are not material either individually or in aggregate and can consequently be left as unadjusted as the accounts are still materially true and fair.</p> <p>A number of additional adjustments to disclosures identified since the Audit Completion Report was issued are also listed in the Appendix.</p>
Completion procedures	<p>We have now finished our completion procedures. A full assessment of post balance sheet events was performed. There are no additional matters to report to you, noting our final closing procedures will continue up to and including when the formal opinion is signed.</p>
Value for Money	<p>We did not identify any significant weaknesses in respect of arrangements for economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2025.</p> <p>Our final VFM narrative will be included in our Auditor's Annual Report for 2024/25, which will be issued when we sign our audit opinion. A draft of our commentary was shared with Members before the end of November 2025 and is unchanged from that text.</p>

We plan to issue our independent auditor's report, including an unqualified opinion on the financial statements and no matters to report in relation to the arrangements for economy, efficiency and effectiveness in the use of resources as soon as we have received the final signed version of the financial statements (and Annual Governance Statement) and the signed letter of representation.

We are unable to issue an audit certificate formally closing the audit until we have received clearance from National Audit Office in relation to Whole of Government Accounts, however, this is a formality to be addressed at a later date.

If you wish to discuss these or any other points, then please do not hesitate to contact me.

Yours faithfully



Gavin Barker
Director, Forvis Mazars LLP

Appendix: Summary of Unadjusted misstatements and further disclosure amendments

Unadjusted Misstatements

The table below shows the misstatements identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and have not been adjusted in the final version of the financial statements for 2024/25.

Description	CIES DR £000s	CIES CR £000s	Balance Sheet DR £000s	Balance Sheet CR £000s
Dr. Pensions Reserve			2,734	
Cr. Pension Liabilities				2,734
The Pension Fund auditor identified an unadjusted difference in asset values during their audit of the Pension Fund. The above an estimation of the impact on the Council's asset valuations based on the Council's share of Pension Fund assets. This is an overstatement of asset values and is not material.				
Dr. Capital Adjustment Account			1,540	
Cr. PPE – Infrastructure Assets				1,540
Dr. CIES – Depreciation	1,540			
Cr. MIRS – Reversal of Depreciation		1,540		
In 2021/22, the Council adopted the statutory override in accounting for infrastructure assets and in reviewing its calculations a potential difference of £3m was identified. The effect of this diminishes over time as depreciation is applied. The updated estimate of this is a maximum difference of £1.54m in the 2024/25 accounts which is not material.				
Dr. Income	440			
Cr. Receipts in Advance				440
Income has been overstated as an invoice spanning 2024/25 and 2025/26 has been recorded in totality in 2024/25 due to an amount being below the Councils de minimis of £10k. This has resulted in £2.9k of income for 2025/26 being recorded in 2024/25 and has been extrapolated to an error of £440k, which is not material.				
Aggregate effect of unadjusted misstatements	1,980	1,540	4,274	4,714

Further disclosure amendments

Audit work identified a number of further amendments to disclosures which have been corrected by management. These have been summarised below:

- Capital Commitments note amended to state outstanding contract payments not total value of contracts;
- Pensions note - disclosure added around virgin media case; and
- Audit Cost note - disclosure added to make clear amount relating to scale fee and amount relating to fee adjustments for prior years.