

The Rt Hon Liam Byrne MP
Chair, Business and Trade Committee
House of Commons
London
SW1A 0AA

30 June 2025

Dear Liam,

Department of Business and Trade 2024-25 Annual Report and Accounts update

1. Following the meeting on 11 February 2025 it was agreed that we would keep you sighted on the progress of the 2024-25 Annual Report and Accounts (ARA) on a monthly basis. This is the fourth such update.

Activity completed to support the 2024-25 ARA audit timetable

2. The Department has continued to engage well with the National Audit Office (NAO), producing ARA content and evidence of the right quality in a timely manner, to enable the audit to progress to plan in most areas. To date the Department has only missed a very small number of deadlines and these have not delayed audit activity. NAO has described the Department's efforts as a step change in the accounts preparation as compared to the 2023-24 audit.
3. The Department provided its first version of the ARA to NAO on time and will provide the second version on time on 26 June. The Department has also responded in good levels of detail to all queries NAO provided for the first version of the accounts, alongside progressing all other audit deliverables. The Department's Audit and Risk Assurance Committee is meeting on 1 July to oversee the completion of the ARA. The expected timeframes leading up to the publication of the account in September are shown in Annex 1.
4. As part of the ARA the Government Internal Audit and Assurance function has provided its draft opinion that was 'limited' in 2023-24. The draft opinion for 2024-25 is due to be 'moderate', with the Head of the Department's internal audit function commending the Department for the speed of the improvement.

Key audit risk

5. A significant risk to the delivery of a September publication of the 2024-25 account relates to resolving issues that have arisen regarding the Post Office redress provision balances. Modelling of the provision balances has had to be revisited for the Horizon

Shortfall Scheme, Horizon Convictions Redress Scheme and the Suspension Remuneration Review. Working through these matters to achieve a substantively complete audit by the end of July to enable a September laying is challenging, but both the Department and NAO remain committed to a September laying date.

6. While there are other audit risks such as completion of the audits of British Business Banks investments, the Department and NAO consider these matters able to be resolved without impacting a September accounts publication.

Summary

7. There remains a considerable amount of work to do, however the 2024-25 ARA production is progressing in line with the agreed timetable. Some challenges have arisen in relation to the modelling of some redress schemes, but the Department and NAO are working well together to resolve these matters. The Department has provided comprehensive draft accounts to its audit committee and the NAO and is continuing to work to a September publication date.

Best wishes,

A handwritten signature in black ink, appearing to read 'Tara Smith', with a stylized, cursive script.

Tara Smith

Chief Operating Officer, Department for Business and Trade

Annex 1 High level timetable for September publication

