

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Thursday, 25th September 2025 at 10:00 hours.

PRESENT:-

Members:-

Councillor Catherine Tite in the Chair

Councillors Steve Fritchley, Rob Hiney-Saunders and Cathy Jeffery, and Ruth Jaffray (Coopted Member).

Officers:- Steve Brunt (Strategic Director of Services), Theresa Fletcher (Section 151 Officer), Jim Fieldsend (Monitoring Officer) and Alison Bluff (Senior Governance Officer) .

Also in attendance at the meeting was James Collins, Engagement Director (Forvis Mazars).

AUD14-25/26 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Tom Kirkham and Carol Wood.

AUD15-25/26 URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

AUD16-25/26 DECLARATIONS OF INTEREST

There were no declarations of interest made.

AUD17-25/26 MINUTES

Moved by Councillor Steve Fritchley and seconded by Cathy Jeffery

RESOLVED that the Minutes of a Climate Change and Communities Scrutiny Committee held on 7th July 2025 be approved as a true record.

AUD18-25/26 STRATEGIC RISK REGISTER AND PARTNERSHIP ARRANGEMENTS

Committee considered a verbal update from the Strategic Director of Services in relation to the Council's Risk Management Strategy.

The Risk Management Group were currently reviewing and updating the strategy and the Strategic Director of Services circulated a copy of the developing document to the meeting for Audit Committee Members' consideration.

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There were currently 20 identified strategic risks on the register with some of these risks being daily risks whilst others were project based. The Risk Management Group ensured that these risks were managed, reviewed and arrangements in place were fit for purpose.

The Strategic Director of Services further circulated an Annual Government Risk Report to the meeting which had been received from Forvis Mazars, the Council's External Auditors.

Further to a Member's query, the Strategic Director of Services advised Members that once a risk had happened, it stayed on the risk register and continued to be monitored along with the ongoing work involved to address the risk which had taken place.

In response to a query from the Chair, the Strategic Director of Services confirmed that strategic risk updates would be included on future Audit Committee agendas.

Moved by Councillor Catherine Tite and seconded by Councillor Rob Hiney-Saunders
RESOLVED that the report be noted.

REPORTS OF THE COUNCIL'S EXTERNAL AUDITOR MAZARS

AUD19-25/26 AUDIT STRATEGY MEMORANDUM YEAR ENDING 31ST MARCH 2025

Presented by James Collins, Engagement Director from Forvis Mazars, Committee considered their Audit Strategy Memorandum for the year ending 31st March 2025.

The report was prepared solely for the use and benefit of Audit Committee and summarised Forvis Mazars audit approach, including the significant audit risks and areas of key judgement they had identified.

The report provided details of Forvis Mazars' engagement and responsibilities with the Council, their audit scope, approach and timeline, materiality and misstatements, significant risks and other key judgement areas, value for money, audit fees and other services and confirmation of Forvis Mazars' independence.

A short discussion took place in relation to risk.

Moved by Councillor Catherine Tite and seconded by Councillor Rob Hiney-Saunders
RESOLVED that the report be noted.

REPORT OF THE SECTION 151 OFFICER

AUD20-25/26 STATEMENT OF ACCOUNTS 2024/25

Committee considered a detailed report, presented by the Section 151 Officer, which provided an update to Members on the latest position regarding Local Audit Delays.

The report also sought Members' approval for the draft (unaudited) Statement of Accounts for 2024/25.

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Local Audit Delays

The system of Local Authority financial statement audits was operating under a system of statutory backstop dates. The backstop dates were a nationwide measure to address the backlog of incomplete audits of financial statements across local government in England and had been introduced as a way to reset the system and assist a return to a regular process of timely audit and publication of financial statements. However, the Council's financial statements had never been part of this backlog and only the latest years' financial statements were not yet audited.

2023/24 Financial Statements

The backstop date for the sign off of the Council's 2023/24 financial statements was 28th February 2025. The Council received Dragonfly's audited financial statements from their auditors during February 2025. Forvis Mazars had been unable to complete the audit procedures necessary to obtain sufficient appropriate audit evidence on which to base an opinion before the date the Council had to publish the financial statements for 2023/24. Therefore, Forvis Mazars had given a disclaimer of opinion on the Council's financial statements for 2023/24 (which included group accounts for the first time), on 21st February 2025. Finance staff were working with Forvis Mazards to rebuild assurance over the Council's group financial statements.

2024/25 Statement of Accounts

Appendix 1 to the report contained the Council's draft (unaudited) Statement of Accounts for 2024/25. These were published on the Council's website on 19th June 2025 against the statutory deadline of 30th June 2025.

Forvis Mazars started their 2024/25 audit at the beginning of September; it was therefore possible that changes to the attached Statement of Accounts would be requested by them. Given the possibility that any issues raised may require the Statement of Accounts to be amended, it was recommended that delegated powers be given to the Section 151 Officer, in consultation with the Chair or Vice Chair of Audit Committee, to agree any final changes to the Statement of Accounts 2024/25. It should be noted that the only changes made under these delegated powers would relate to amendments agreed with the Council's external auditors Forvis Mazars.

Moved by Councillor Steve Fritchley and seconded by Councillor Rob Hiney-Saunders

RESOLVED that: 1) the Statement of Accounts in respect of 2024/25, be approved;

- 2) delegated powers are granted to the Section 151 Officer, in consultation with the Chair or Vice Chair of Audit Committee, to agree any final changes to the Statement of Accounts 2024/25, and that only changes made under these delegated powers relate to amendments agreed with the Council's external auditors Forvis Mazars, to ensure the completion of the Statement of Accounts by 27th February 2026.

AUD21-25/26 ASSESSMENT OF GOING CONCERN STATUS

Committee considered a detailed report, presented by the Section 151 Officer, which provided information on the Section 151 Officer's assessment of the Council's Going Concern status for the purposes of producing the Statement of Accounts for 2024/25.

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The concept of a going concern assumed that an authority, its functions and services, would continue in operational existence for the foreseeable future. This assumption underpinned the Statement of Accounts drawn up under the Local Authority Code of Accounting Practice and was made because local authorities carried out the functions essential to the local community and were themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government).

Where the assessment determined the going concern status was not proven, particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and provisions may be needed for closure costs or redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements.

As with all principal local authorities, the Council was required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for 2024/25 (hereafter referred to as the Code) which is published by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with the Code, the Council's Statement of Accounts was prepared assuming that the Council would continue to operate for the foreseeable future, and that it was able to do so within the current and anticipated resources available. By this, it was meant that the Council would realise its assets and settle its obligations in the normal course of business.

Given the significant reduction in funding for local government in recent years, and the potential threat this posed to the ongoing viability of councils as a consequence, external auditors continued to place a greater emphasis on local authorities undertaking an assessment of the going concern basis on which they prepared their financial statements.

The main factors which underpinned this assessment were:

- The Council's current financial position;
- The Council's balance sheet;
- The Council's cash flow;
- The Council's projected financial position;
- The Council's governance arrangements;
- The regulatory and control environment applicable to the Council as a local authority.

Following the undertaking of the going concern assessment, the Section 151 Officer considered that having regard to the Council's arrangements and such factors as highlighted in the report, that the Council remained a going concern and the Council's accounts for 2024/25 had appropriately been prepared on this basis. The report gave the assessment by the Council's Section 151 Officer in support of presenting the Accounts for approval and provided assurance to Forvis Mazars, the Council's external auditor.

Moved by Councillor Catherine Tite and seconded by Councillor Rob Hiney-Saunders
RESOLVED that Audit Committee accepted the outcome of the assessment of the Council's going concern status for the purposes of preparing the Statement of Accounts for 2024/25.

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AUD22-25/26 AUDIT COMMITTEE ANNUAL REPORT 2024/25

Committee considered a detailed report, presented by the Section 151 Officer, which provided information on how the Committee had complied with the Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement: Audit Committees in Local Authorities and Police 2022.

During 2022, CIPFA updated its 2018 Position Statement to include new expectations in England following the Redmond Review. All authorities and police bodies were encouraged to use the publication to review and develop their arrangements in accordance with the Position Statement.

Audit Committees were a key component of an authority's governance framework. Their purpose was to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements. The Committee's role in ensuring that there was sufficient assurance over governance, risk and control gave greater confidence to all those charged with governance that those arrangements were effective.

In a local authority, full Council was the body charged with governance. The Audit Committee may be delegated some governance responsibilities but would be accountable to full Council. The Committee had oversight of both internal and external audit, together with the financial and governance reports, helping to ensure that there were adequate arrangements in place for both internal challenge and public accountability.

The Committee should include co-opted independent members in accordance with the appropriate legislation. Where there was no legislative direction, CIPFA recommended that each authority should include at least 2 co-opted independent members to provide appropriate technical expertise.

The specific responsibilities of Audit Committee included maintenance of governance, risk, and control arrangements; financial and governance reporting; establishing appropriate and effective arrangements for audit and assurance.

During 2024/25, Audit Committee Members received a range of reports - some were routine reports for monitoring, others were to provide information and guidance to help Members of the Audit Committee carry out their role effectively.

During 2024/25, the Committee received the following reports:

- External Auditor's annual report 2022/23;
- Report of the External Auditor, Audit Strategy Memorandum;
- Report of the Internal Auditor, Summary of progress on the Internal Audit plan—quarterly reports;
- Implementation of Internal Audit recommendations – ½ yearly report;
- Internal Audit Consortium – annual report 2023/24;
- Strategic Risk Register and Partnership Arrangements report;
- Forvis Mazars report to those charged with Governance (audit completion report);
- Assessment of Going Concern Status;
- Review of the Internal Audit Charter;
- Report of the External Auditor – External Audit progress report July 2024;

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- BDC Statement of Accounts 2023/24;
- Annual Governance Statement and Local Code of Corporate Governance 2023/24;
- Accounting Policies 2024/25;
- Report of the Internal Auditor, Internal Audit plan;
- Report of the Internal Auditor, Global Internal Audit Standards;
- Annual report of the Committee;
- Local Audit Delays – Update;
- Member Training 2024/25 - Member discussion.

Audit Committee's Main Achievements/Outcomes

The Committee aimed to add value through its activity and in particular had:

- Scrutinised the statement of accounts prior to approval thereby ensuring that they are an accurate reflection of the Council's finances.
- Reviewed the Code of Corporate Governance and approved the Annual Governance Statement to ensure it is a true and fair view of the Council's governance and risk management arrangements.
- Reviewed the strategic risk register to ensure that risks are being appropriately mitigated thus providing additional assurance that risk is being managed appropriately.

Moved by Councillor Catherine Tite and seconded by Councillor Cathy Jeffery

RESOLVED that the report be noted.

REPORT OF THE DIRECTOR GOVERNANCE, LEGAL SERVICES & MONITORING OFFICER

AUD23-25/26 ANNUAL GOVERNANCE REPORT 2024/25

Committee considered a report which sought Members approval to the conclusions and content of the Annual Governance Statement which it was proposed to be incorporated within the Council's Statement of Accounts for 2024/25. Members approval was also sought for the revised Code of Corporate Governance.

The report also raised awareness of governance issues amongst Members and Employees of the Council, and more generally amongst all stakeholders.

As part of its Statement of Accounts, the Council was required to include an Annual Governance Statement. Preparation of the Statement needed to be undertaken in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) framework, which sets out the fundamental principle of corporate governance that needed to be addressed. The CIPFA / SOLACE Framework set out the core principles which Authorities should follow.

One of the main purposes of the Annual Governance Statement was to assess the extent to which the key principles were in place within an authority and were adhered to in practice. In short it was an annual assessment process for the Council's governance

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arrangements. As part of the process, Audit Committee would also be requested to give consideration to the Council's updated Code of Corporate Governance.

The Annual Governance Statement, together with the Code of Corporate Governance, were corporate documents which must be owned by the whole organisation.

The Draft Annual Governance Statement for consideration and approval was attached at Appendix 1 to the report. However, it was possible there may be a requirement to make some final changes before the Statement of Accounts was authorised for issue by the Section 151 Officer. It was therefore recommended that delegated powers be given to the Section 151 Officer, in consultation with the Chair or Vice Chair of the Committee, to agree any final changes. It should be noted that the only changes that would be made under these delegated powers would relate to amendments agreed with the Council's external auditors Forvis Mazars.

Section 4 of the Annual Governance Statement showed that the review supported the assessment that there were appropriate governance arrangements in place and they were fit for purpose. Where significant issues had been identified, the Statement noted that these would be addressed to ensure governance arrangements remained robust.

In response to a Member's query, the Monitoring Officer advised that the reporting route for the Annual Governance Statement was the Audit Committee.

Moved by Councillor Catherine Tite and seconded by Councillor Rob Hiney-Saunders

RESOLVED that: 1) the draft Annual Governance Statement as set out in Appendix 1 to the report be noted,

- 2) having reviewed the effectiveness of the Governance Framework, Audit Committee were satisfied that the Council's governance and internal control arrangements were fit for purpose;
- 3) delegated powers are granted to the Section 151 Officer, in consultation with the Chair or Vice Chair of the Audit Committee, to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors Forvis Mazars, to ensure completion of the Statement of Accounts by the statutory deadline of 27th February 2026.

The meeting concluded at 10:37 hours.