

Bolsover District Council

Council

21st May 2025

Auditor's Annual Report – 2023/24

Report of the Portfolio Holder for Resources

Classification	This report is public.
Contact Officer	Theresa Fletcher Director of Finance & Section 151 Officer

PURPOSE / SUMMARY

For Council to consider the Auditor's Annual Report in respect of 2023/24 at **Appendix 1**, which has been prepared by Forvis Mazars for consideration by Elected Members of the Council and other stakeholders.

REPORT DETAILS

1 Introduction

- 1.1 The Council's External Auditor Forvis Mazars gave a disclaimer of opinion on the Council's financial statements for 2023/24, which included group accounts for the first time, on the 21st of February 2025. This means the report did not express an opinion on the financial statements and no assurance was provided.
- 1.2 At the Audit Committee on the 12th of March 2024, it was reported to Audit Committee about the local audit delays, the consultation on clearing the backlog of audits and the proposals for the future to ensure the timely audits for the sector.
- 1.3 On the 22nd of January 2025, an update to the March report was provided based on the Chartered Institute of Public Finance and Accountancy (CIPFA) document 'The local audit backstop - key questions answered for audit committee members.' This document is attached as **Appendix 2** for Member's information and further reading.
- 1.4 The statement of accounts which now includes group financial statements, must be completed by the Council's finance team and be ready for sign off by the Section 151 Officer by the 30th of June each year under revised rules.
- 1.5 The accounts were completed and signed off by the Section 151 Officer on the 2nd of July 2024. This was over a month past the (then) statutory deadline, but

our auditors agreed we should wait to include the correct Pension Fund information rather than include estimates of the figures. We had to wait almost 12 weeks for the Pension Fund valuation showing Dragonfly separated from the Council. We were also delayed due to not receiving the draft Dragonfly financial statements from their auditors on time. The decision was made to include estimates of the Dragonfly financial statements to avoid any further delay.

- 1.6 To clear the backlog of local audits a schedule of backstop dates was imposed on Councils and Auditors. The first backstop date of 13th of December 2024 was to ensure audits for financial statements for financial years up to and including 2022/23 were concluded, this did not apply to us as our 2022/23 accounts were signed off on the 28th of March 2024.
- 1.7 The backstop date for the sign off of 2023/24 financial statements was the 28th of February 2025. The Council received the Dragonfly audited financial statements from their auditors during February 2025.
- 1.8 The Council's auditors Forvis Mazars, 'were 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.' This is the reason for the disclaimed opinion.
- 1.9 Forvis Mazars now need to rebuild assurance over the Council's group financial statements for 2023/24. It is currently unknown by all parties what this will entail, but it is not expected that it will cause issues for the 2024/25 final accounts process by the finance team. In addition, Dragonfly have already appointed a new auditor, and they are already working with them to improve the timeliness of the production of their financial statements, to ensure the 2024/25 deadlines can be met.
- 1.10 That Council consider **Appendix 1** from the Council's External Auditor, Forvis Mazars.

2 Reasons for Recommendation

- 2.1 To ensure that Council is able to effectively consider the outcomes of the work undertaken by the Council's external auditors.

3 Alternative Options and Reasons for Rejection

- 3.1 A copy of the Auditor's Annual Report is available on the Council's website and was presented by Forvis Mazars, to the Audit Committee at its Extraordinary meeting on the 20th of February 2025. Together with inclusion on this Council agenda these measures should help ensure an appropriate level of consideration by Elected Members and other stakeholders.
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RECOMMENDATIONS

- 1 That Council considers and notes **Appendix 1**, the report from the Council's External Auditor, Forvis Mazars.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

IMPLICATIONS.

Finance and Risk: Yes No

Details:

There are no additional financial implications arising from this report.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

None arising directly from this report.

There are no Data Protection issues arising directly from this report.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Not applicable to this report

Staffing: Yes No

Details:

None arising directly from this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i></p>	No

<p>District Wards Significantly Affected</p>	None
<p>Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	<p>Details: Portfolio Holder for Resources</p>

<p>Links to Council Ambition: Customers, Economy, and Environment.</p>

DOCUMENT INFORMATION	
Appendix No	Title
1	Auditor's Annual Report – year ended 31 March 2024
2	The local audit backstop – key questions answered for audit committee members

<p>Background Papers</p>
<p><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i></p>
<p>None</p>