

EXTRAORDINARY AUDIT COMMITTEE

Minutes of an extraordinary meeting of the Audit Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne, on Thursday 20th February 2025 at 1000 hours.

PRESENT:-

Members:-

Councillor Tom Munro in the Chair

Councillors:- Cathy Jeffery, Catherine Tite, Carol Wood, and Ruth Jaffray (Coopted Member).

Officers:- Karen Hanson (Chief Executive), Steve Brunt (Director of Strategic Services), Theresa Fletcher (Section 151 Officer) and Alison Bluff (Governance).

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

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APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Chris Kane and Lisa Powell and Councillor Clive Moesby, Portfolio Holder for Resources.

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DECLARATIONS OF INTEREST

There were no declarations of interest.

REPORT OF THE COUNCIL'S EXTERNAL AUDITOR; FORVIS MAZARS

AUD35 24/25.

REPORT TO THOSE CHARGED WITH GOVERNANCE – FORVIS MAZARS AUDIT COMPLETION REPORT

Committee considered a detailed report of the Council's external auditors, Forvis Mazars, in relation to their audit completion report. The report was presented by James Collins, Director, Forvis Mazars.

The report confirmed that as a result of the legislative backstop arrangements introduced by the amendments to the Accounts and Audit Regulations 2015, Forvis Mazars had been unable to complete the audit as originally planned, in advance of the backstop date of 28th February 2025. This meant a disclaimer of opinion would be issued on the Council's financial statements.

When an opinion was 'disclaimed', the auditor did not express an opinion on the financial statements and consequently no assurance was provided.

Section 2 of the report set out the detail of work undertaken on the accounts by Forvis Mazars. For single entity accounts (Council), a significant amount of work had been carried out. Section 4 of the report set out commentary on the Council's value for

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money arrangements with the main commentary being that there was a significant weakness associated with the accounting for the group accounts (Dragonfly).

In response to a query from Councillor Wood, James advised that the current status of the audit as 'draft' reflected that some wording may change between the report being issued and the report being signed, however, the financial statements would remain as 'no assurance provided'.

In response to further queries raised by Councillor Wood, the Chief Executive confirmed that Dragonfly performance monitoring was included in the report with the Council's Performance Monitoring and presented to Executive on a quarterly basis. In relation to minimum revenue provision (MRP), which was money the Council set aside to pay off debt, James advised that Forvis Mazars used a benchmark of 2% - anything below this would be challenged. Via its Treasury Management Strategy, which Members approved, the Council was setting an MRP of 4%.

Councillor Wood also noted that Dragonfly update reports were presented to Local Growth Scrutiny Committee on a bi-monthly basis and not on a monthly basis as stated in Forvis Mazars' report, however, this would change going forward as Scrutiny Committees would start to meet on a quarterly basis after Annual Council.

The Chair thanked James for providing and presenting the report. He noted that an independent review of the Council's wholly owned companies would take place soon and action plans would potentially be a result.

Councillor Wood thanked the Section 151 Officer and her team as they had had to deal in a compressed timescale with late information from Dragonfly's previous accountants which had impacted on Forvis Mazars ability to complete their audit work.

In response to a further query from Councillor Wood, James noted that the 2024/25 accounts would open with the disclaimed balance of 2023/24. To rebuild assurance would involve work with management and looking back at historical information, however, there was uncertainty at what 'rebuilding assurance' actually meant and this was a national problem for councils affected by the backstop dates where a disclaimed or qualified audit opinion had been issued. This was a risk, and was being looked at by audit suppliers, regulators and other bodies such as the National Audit Office.

Moved by Councillor Tom Munro and seconded by Councillor Catherine Tite
RESOLVED that the report of Forvis Mazars, *Those Charged with Governance*, be noted.

REPORT OF THE CHIEF ACCOUNTANT & SECTION 151 OFFICER

AUD36 24/25.

ACCOUNTING POLICIES

Committee considered a detailed report, presented by the Section 151 Officer, which sought Members approval for the accounting policies for the current financial year and which related to the preparation of the Statement of Accounts for 2024/25.

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Given that the accounting policies adopted had significant influence upon the accounting statements, it was important that these were given appropriate consideration at the outset of the preparation of the Statement of Accounts. This helped ensure that they were applied consistently in the preparation of the accounts.

The policies which were recommended were in line with those used in the previous financial year (2023/24). Officers had reviewed and updated these where necessary and they had been checked for their relevance, clarity, legislative compliance and that they were in accordance with the latest version of the code of practice and IFRS requirements.

For the first time, the accounting policies for 2023/24 were changed by the Council to reflect the preparation of group accounts. However, as the Statement of Accounts for 2023/24 were still being audited, it may be necessary to make an amendment to a 2024/25 policy to adopt a more appropriate accounting policy. Full details of the proposed accounting policies for the current financial year were provided at Appendix 1 to the report.

Moved by Councillor Catherine Tite and seconded by Councillor Cathy Jeffery
RESOLVED that the accounting policies as detailed at Appendix 1 to the report, be approved.

The meeting concluded at 1030 hours.