



Audit Progress Report

Bolsover District Council

April 2026

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Audit Progress

Audit progress

Purpose of this report

This report aims to provide the Audit Committee with information about progress in delivering our responsibilities as the Councils' external auditors for the 2025/26 financial year.

Conclusion of 2024/25 Audit and issue of Audit Certificate for 2023/24

We completed our work and issued our audit opinion for the year ended 31 March 2025 on 26 February 2026, ahead of the statutory deadline of 27 February 2026. Our opinion on the statement of accounts was qualified. We identified no significant weaknesses in the Council's arrangements for securing Value for Money.

We have not yet received confirmation from the NAO that the group audit of the Whole of Government Accounts has been completed and that no further work is required from us. Once this confirmation has been received, we can issue the audit certificate and formally conclude the audit.

2025/26 Audit Progress

Our annual accounts workshop for finance team members took place in March 2026.

Since our last report to Members we have:

- submitted our list of required deliverables to the Council for the planning and interim stages of the audit.
- had ongoing discussions with management to organise audit timing and logistics and to integrate lessons learned from the prior year audit.

We will present our formal Audit Strategy Memorandum in Spring 2026 and will continue to keep the committee updated with progress.

The expected areas of focus will include:

Financial statement risks:

- Risk of management override of controls (mandatory risk on all audit engagements)
- Revaluation of Land & Buildings and Investment property, including the application of indexation as prescribed in the 2025/26 Code
- Valuation of the local government pension scheme asset and liability
- Group Consolidation

Engagement and responsibilities summary

We are appointed to perform the external audit of Bolsover District Council (the “Council”) for the year to 31 March 2026. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: [Statement of responsibilities of auditors and audited bodies from 2023/24](#). Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Code of Practice on Local Council Accounting.

Our audit does not relieve management or Audit Committee, as those charged with governance, of their responsibilities.

The Section 151 Officer is responsible for the assessment of Bolsover District Council’s ability to continue as a going concern. As auditors, we are required to obtain sufficient, appropriate audit evidence regarding, and conclude on:

- a) whether a material uncertainty related to going concern exists, and
- b) the appropriateness of the Section 151 Officer’s use of the going concern basis of accounting in the preparation of the financial statements.

Internal control

Management is responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We are responsible for obtaining an understanding of internal control relevant to our audit and the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bolsover District Council’s internal control.

Whole of Government Accounts

We report to the NAO on the consistency of the Council’s financial statements with its Whole of Government Accounts (WGA) submission.



Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error, and non-compliance with law or regulations rests with both you and management. This includes establishing and maintaining internal controls over asset protection, compliance with relevant laws and regulations, and the reliability of financial reporting.

As part of our audit procedures in relation to fraud, we are required to inquire of you and key management personnel, on their knowledge of instances of fraud, and their views on the risks of fraud and on internal controls that mitigate those risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. However, our audit should not be relied upon to identify all such misstatements.

Value for money

We are also responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in the ‘Value for Money’ section of this report.

Wider reporting and electors’ rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

Your audit team



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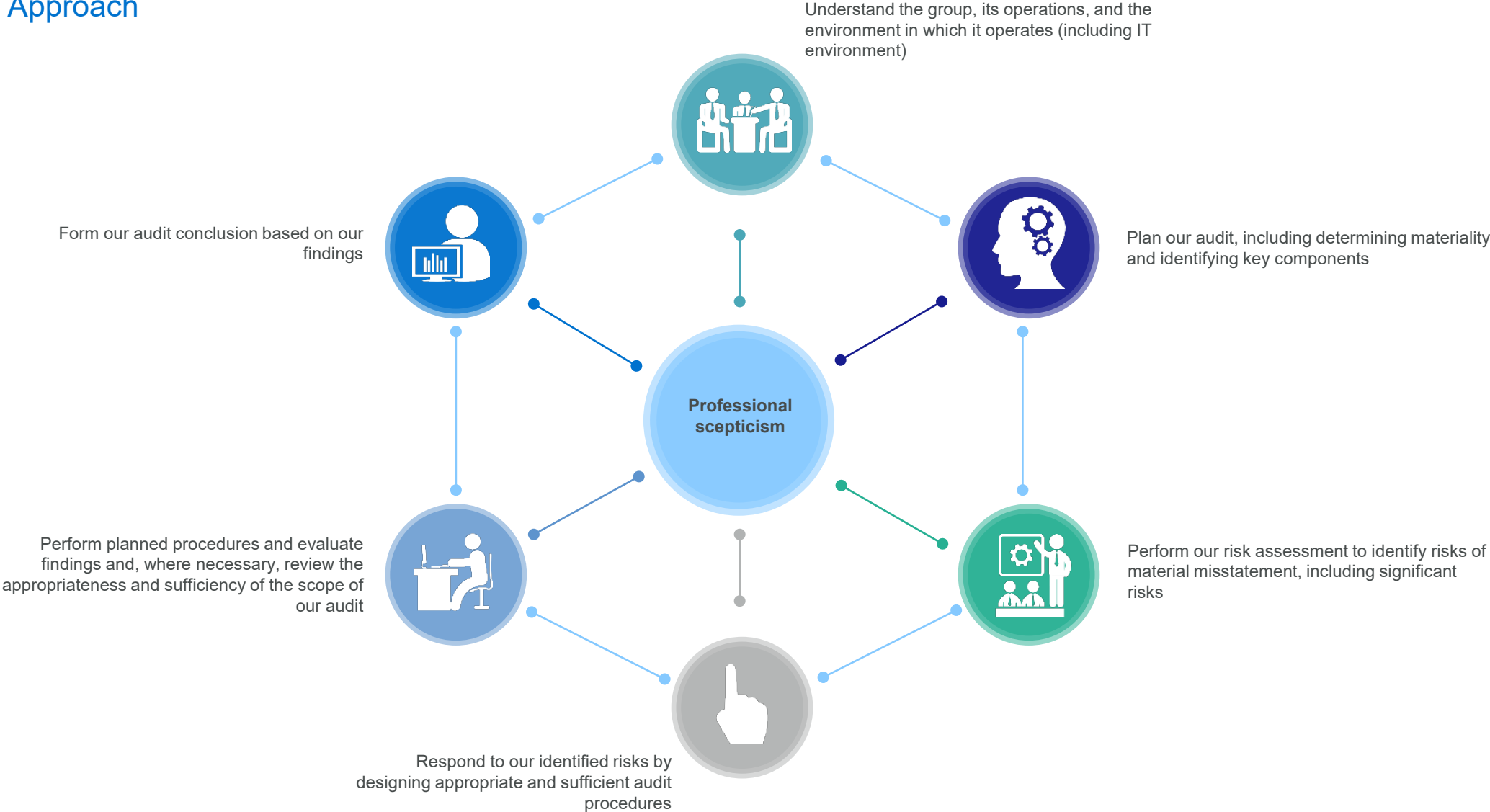
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Audit Assistant Manager

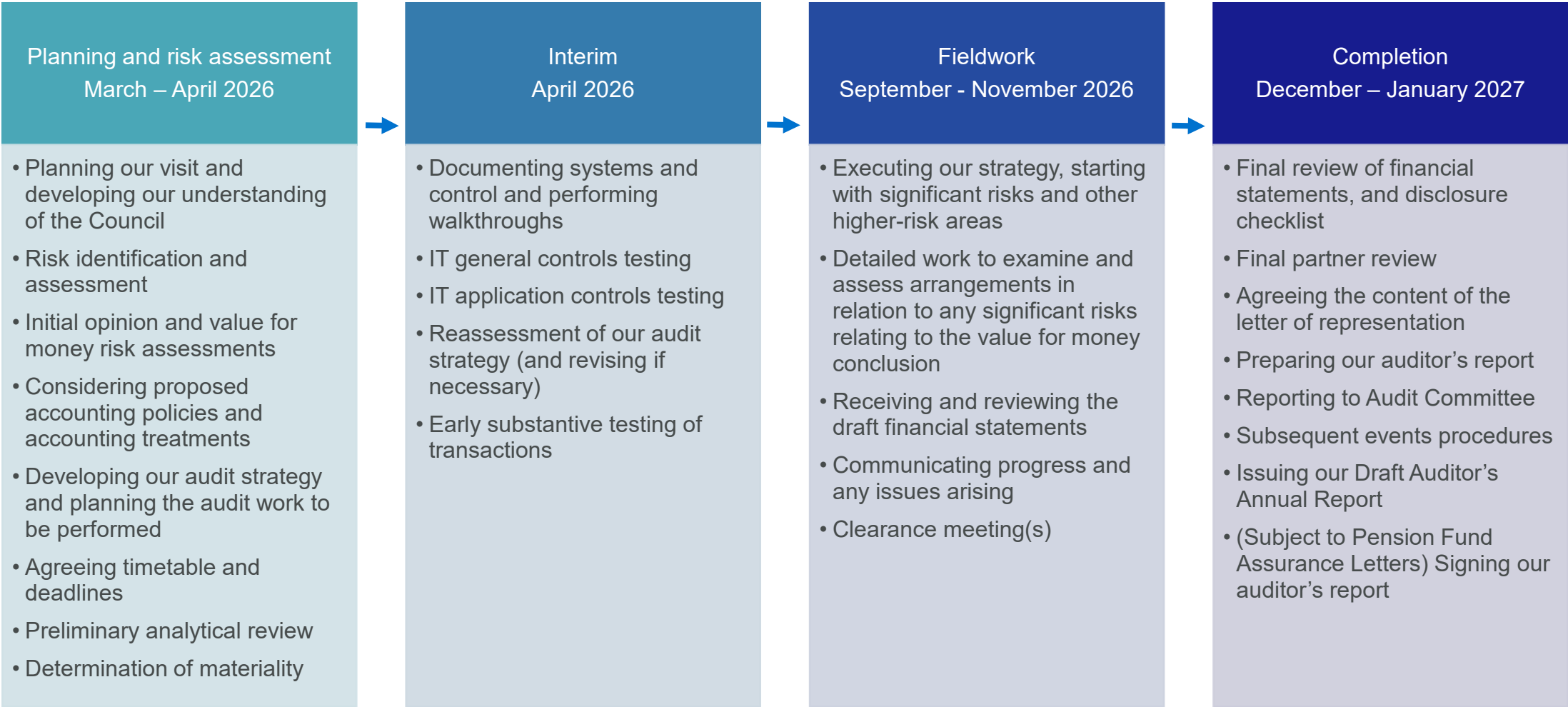
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Audit scope, approach, and timeline

Risk-based Approach



Audit scope, approach, and timeline



Value for money

The framework for value for money work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

Our responsibility remains to be satisfied that the Council has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Council's arrangements in the Auditor's Annual Report.

The 2024 Code of Audit Practice requires us to issue our Auditor's Annual Report for the year ending 31st March 2026 to you in draft by the 30th November 2026. This is required whether our audit is complete or not. Should our work not be complete, we will report the status of our work and any findings to up to that point (and since the issue of our previous Auditor's Annual Report).

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

1. **Financial sustainability** – how the Council plans and manages its resources to ensure it can continue to deliver its services;
2. **Governance** – how the Council ensures that it makes informed decisions and properly manages its risks; and
3. **Improving economy, efficiency and effectiveness** – how the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our approach

Our work falls into three primary phases as outlined opposite. We gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified, we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle, and we are not expected to wait until issuing our overall commentary to do so.

Planning	<p>Obtaining an understanding of the Council's arrangements for each specified reporting criteria. Relevant information sources will include:</p> <ul style="list-style-type: none">• NAO guidance and supporting information• Information from internal and external sources including regulators• Knowledge from previous audits and other audit work undertaken in the year• Interviews and discussions with staff and members
Additional risk based procedures and evaluation	<p>Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.</p>
Reporting	<p>We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements which forms part of the Auditor's Annual Report.</p> <p>Our commentary will also highlight:</p> <ul style="list-style-type: none">• Significant weaknesses identified and our recommendations for improvement; and• Emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.

Audit fees and other services

Fees for work as the Council's appointed auditor

Our proposed fees (exclusive of VAT) as the Council's appointed for the year ended 31 March 2026 are outlined below. Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit.

Area of work	2025-26 Fees	2024-25 Fees*
Code Audit Work (Scale Fee)	£172,671	£160,368
Fees for Group Accounts (not built into the scale fee)	TBC	£10,000
Additional fee in respect of rebuilding assurance	N/A	£26,200
Work completed to assess Prior Period Adjustment	N/A	£6,300
Additional work for introduction of ISA 600 Revised Group Audits	TBC	£5,000
Additional fees in respect of introduction of IFRS 16 Leases	TBC	£4,000
Work completed to assess the Council's value for money arrangements and issue our value for money commentary	TBC	£8,000
Qualified opinion	TBC	£7,500
Total fees	£TBC	£227,368

*Our proposed fee variation has been submitted to PSAA for final approval

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National Publications

National publications

	Publication/update	Key points
Ministry of Housing, Communities and Local Government ('MHCLG') (formerly the Department for Levelling Up, Housing and Communities ('DLUHC'))		
1	Local government reorganisation: Policy and programme updates	News updates and supporting documents relating to the government's ambitious programme of local government reorganisation in England. For information only.
2	Communities set to benefit from fairer funding	Fairer funding as part of the Final Local Government Financial Settlement will help to tackle deprivation and improve public services. Around £78 billion is being made available for councils across England through the Final Local Government Finance Settlement with a top up to the Recovery Grant for areas hit hardest by historic cuts. For information only.
National Audit Office ('NAO')		
3	NAO insight: Audit insights: lessons and findings from the NAO's financial audits in 2024-25	This report, for the first time, brings together thematic insights from our recent financial audits and wider assurance work. It explains key accounting terms in the context of government finances, and highlights opportunities to strengthen financial management and reporting in government which can help improve productivity and resilience in public service delivery. For information only.
4	NAO insight: Good practice in annual reporting	This interactive guide sets out our good practice principles for annual reporting. It provides ideas on content and format for all bodies in both the public and private sector as they plan their annual reporting for 2025-26. For information only.
Forvis Mazars		
5	Applying AI in Local Government: Turning potential into practice	Artificial Intelligence (AI) is becoming an integral part of how local governments operate. With budgets under pressure and demand for services rising, AI can offer practical solutions to improve efficiency, free up staff time, and support to deliver better outcomes for communities. For information only.
6	Annual Local Government Risk Report 2026	Local government is operating in one of the most challenging environments in decades. Financial pressures, structural reforms, rising service demands, and technological disruption have converged to create unprecedented complexity. Added to this the surge in temporary accommodation costs, SEND deficits, and the rapid adoption of AI - all of which are making the risk landscape evolve faster than ever. For information only.

National publications

MHCLG

1. Local government reorganisation: Policy and programme updates

News updates and supporting documents relating to the government's ambitious programme of local government reorganisation in England. Recent updates:

- On 5 February 2026, a written ministerial statement was made to Parliament about the statutory consultations on proposals for unitary local government made by councils in 14 areas.
- On 16 February 2026 the Secretary of State wrote to council leaders in local government reorganisation areas about the proposed postponement of local elections in May 2026.

Link: <https://www.gov.uk/government/collections/local-government-reorganisation-policy-and-programme-updates>

2. Communities set to benefit from fairer funding

Fairer funding as part of the Final Local Government Financial Settlement will help to tackle deprivation and improve public services.

Councils most in need will have more money to bring back clean streets, fill potholes and restore local services through an extra £440 million funding boost confirmed on February 9th.

Around £78 billion is being made available for councils across England through the Final Local Government Finance Settlement with a top up to the Recovery Grant for areas hit hardest by historic cuts.

Other measures set out include:

- Councils most impacted by historic funding cuts will receive targeted investment through a £440 million Recovery Grant uplift confirmed today, with £2.6 billion made available through the Recovery Grant by 2028-29.
- Local leaders will get extra money to improve transport, build homes and create jobs through a £39.6 million boost to mayoral capacity funding also confirmed today.
- Councils will have 90% of their historic SEND-related deficits up to 2025-26 written off, protecting their ability to continue to support children and young people with SEND at their local school, alongside delivering wider services and tackling deprivation
- Vulnerable people at risk of homelessness will receive more help to find suitable, stable housing, with a £272 million uplift bringing total homelessness funding to over £2.7 billion.

Link: <https://www.gov.uk/government/news/communities-set-to-benefit-from-fairer-funding>

National publications

NAO

3. NAO insight: Audit insights: lessons and findings from the NAO's financial audits in 2024-25

This report, for the first time, brings together thematic insights from our recent financial audits and wider assurance work. It explains key accounting terms in the context of government finances, and highlights opportunities to strengthen financial management and reporting in government which can help improve productivity and resilience in public service delivery.

This report:

- provides background and context to the National Audit Office's annual cycle of financial audits, how they work with audited bodies, and how they report the results to Parliament
- outlines the importance of good annual reports, focussing on two areas where there are opportunities to improve financial management and reporting in government
- sets out insights from NAO financial audits in three areas that present particular challenges to financial management and the production of timely, high-quality accounts

Link: <https://www.nao.org.uk/insights/audit-insights-lessons-and-findings-from-the-naos-financial-audits-in-2024-25/>

4. NAO insight: Good practice in annual reporting

This interactive guide sets out our good practice principles for annual reporting. It provides ideas on content and format for all bodies in both the public and private sector as they plan their annual reporting for 2025-26.

A good annual report should:

- support accountability
- be transparent
- be accessible
- be understandable

This guide showcases leading examples of good practice for annual reporting from different sectors.

Link: <https://www.nao.org.uk/insights/good-practice-in-annual-reports/>

National publications

Forvis Mazars

5. Applying AI in Local Government: Turning potential into practice

Artificial Intelligence (AI) is becoming an integral part of how local governments operate. With budgets under pressure and demand for services rising, AI can offer practical solutions to improve efficiency, free up staff time, and support to deliver better outcomes for communities.

Making AI work for local government: Challenges and opportunities

The greatest opportunity lies in task automation - streamlining transactional, routine processes so staff can focus on strategic decision-making. However, councils face challenges in prioritising investments, given limited budgets. Governance and risk management are critical, especially as AI capabilities become embedded in enterprise application.

Yet, the effectiveness of these AI tools hinges on one foundational element: data quality. Poor data governance and inconsistent data hygiene can undermine even the most advanced AI systems, leading to biased outputs, inaccurate predictions, and eroded public trust. Local authorities often manage vast, fragmented datasets across multiple legacy systems, making it difficult to maintain a single source of truth. Without robust data standards, cleansing protocols, and accountability frameworks, automation risks amplifying existing inefficiencies rather than solving them.

AI governance is fundamentally a business risk. Councils therefore need to establish guardrails to ensure ethical use, maintain transparency, and manage risks associated with autonomous decision-making. Upskilling the workforce is equally vital to ensure staff can leverage AI effectively without compromising service quality.

Link: <https://www.forvismazars.com/uk/en/insights/public-and-social-sector-insights/applying-ai-in-local-government>

6. Annual Local Government Risk Report 2026

Local government is operating in one of the most challenging environments in decades. Financial pressures, structural reforms, rising service demands, and technological disruption have converged to create unprecedented complexity. Added to this the surge in temporary accommodation costs, SEND deficits, and the rapid adoption of AI - all of which are making the risk landscape evolve faster than ever.

Internal audit must step up as a strategic partner instead of just a compliance checkpoint. That means embedding foresight into governance, providing real-time assurance during transformation, and using data analytics to spot early warning signs.

Link: <https://www.forvismazars.com/uk/en/industries/public-social-sector/our-public-and-social-sector-reports/annual-local-government-risk-report-2026>

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