



Audit Progress Report Ashfield District Council– Year end 31 March 2024

November 2024

Contents

- 01** Overview of engagement
- 02** Government measures to clear the backlog in local government accounts audit

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Overview of engagement

01



Overview of engagement

We are appointed to perform the external audit of Ashfield District Council (the Council) for the year ending 31 March 2024. 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: <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. 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), and we summarise the position to date as follows:

Area	Responsibilities	Status: Ashfield District Council
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 Authority Accounting. Our audit does not relieve management or the Audit & Governance Committee, as Those Charged With Governance, of their responsibilities.	<p>We are currently part way through our fieldwork the financial statements for 2023/24. We reported our planned timeline to the Committee in September 2024 which showed the planned fieldwork dates as October – November, with completion expected in January 2025.</p> <p>On 30 July 2024, the Minister of State for Local Government and English Devolution made a statement to propose secondary legislation, with the proposed backstop date for financial years up-to-and-including 2022/23 as 13 December 2024 and the financial year 2023/24 being 28 February 2025. We are working to complete the audit ahead of the 28th February deadline.</p>
Value for money	We are 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 have started our planning and risk assessment work and have requested management's self-assessment. We will continue to update our risk assessment as the audit progresses.
Wider reporting and electors' rights	<p>We report to the National Audit Office (NAO) on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.</p> <p>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.</p>	<p>We are unable to report to the NAO until our work on the financial statements is complete.</p> <p>We have not received any matters of correspondence from electors.</p>

02

Government measures to clear the backlog in local government accounts audit



Government measures to clear the backlog in local government accounts audit

Backstop update

In August 2024, following consultation in April, the government published its measures to address the significant backlog in local government annual accounts audits. These measures include both legislative changes to the Accounts and Audit Regulations 2015 and the introduction of several statutory deadlines ('backstop dates') aimed at helping to clear the backlog of local government annual accounts audits. Local government entities are required to publish their audited annual accounts by each backstop date, which are:

- Financial years up-to-and-including 2022/23: 13 December 2024 (changed from proposed 30 September 2024)
- Financial year 2023/24: 28 February 2025 (previously 31 May 2025)
- Financial year 2024/25: 27 February 2026 (previously 31 March 2026)
- Financial year 2025/26: 31 January 2027
- Financial year 2026/27: 30 November 2027
- Financial year 2027/28: 30 November 2028

Where the backstop dates now create time constraints that prevent the auditor from completing all necessary audit procedures to obtain sufficient appropriate audit evidence to support the audit opinion a modified opinion may be necessary – usually referred to as a disclaimed opinion or a qualified opinion.

Auditors will still be required to discharged their value for money (VFM) responsibilities, which requires VFM work to be completed by the date of the audit opinion.

Communication and engagement with stakeholders is currently taking place to make clear the necessity of the steps being taken, emphasise the context for disclaimed opinions, and determine the work that will be required to disclaim an opinion. On 9 September 2024 the Comptroller and Auditor General (C&AG) of the National Audit Office (NAO) laid a new a new Code of Audit Practice in Parliament. On 10 September, the NAO on behalf of the C&AG also published Local Audit Reset and Recovery Implementation Guidance notes (LARRIGs) 1-5 to support auditors in meeting the requirements of the Local Audit and Accountability Act 2014 (the Act). The LARRIGs are prepared and published with the endorsement of the Financial Reporting Council (FRC) and are intended to support the reset and recovery of local audit in England.

What does this mean for Ashfield?

We are aiming to complete the audit of the Council's accounts for the year ending 31 March 2024 before the backstop date should this change we will alert members in due course.

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