



Audit Progress Report

Rossendale Borough Council

July 2024

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Audit progress

Audit progress

Purpose of this report

This report provides the Audit and Accounts Committee with information about progress in delivering our responsibilities as external auditors for the Council.

Prior to the calling of the general election on 4 July 2024, the Department of Levelling Up, Housing and Communities ('DLUHC') had consulted on proposed arrangements which would implement a 30 September 2024 backstop date for all audits for the 31 March 2023 financial year and earlier, where these are not yet complete. Similar dates were being considered to bring the backstop date forward each year for the next five years. These considerations have been on hold during the election period, we are uncertain as to when a conclusion will be reached. We had agreed with management, prior to the general election being called, to conclude our planning work on all open audit years 2018/19, 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24 by the end of September 2024, this remains our intention.

At the March 2024 Audit and Accounts Committee we provided our Value for Money (VFM) commentary for 2020/21, 2021/22 and 2022/23. We are unable to finalise our conclusions on Value for Money for 2018/19 and 2019/20 until we issue our audit opinion, as this falls under the previous Code arrangements. We plan to bring our draft conclusions on the VFM arrangements in 2018/19 and 2019/20 to the September Audit and Accounts Committee. Following this we plan to bring our commentary on the 2023/24 VFM arrangements to the Audit and Accounts Committee in November 2024.

Forvis Mazars

We are delighted to introduce you to Forvis Mazars: our new global Top 10 network. Launching on 1 June 2024, Forvis Mazars has been designed for and around our clients. As a network of just two firms, and operating in over 100 countries, Forvis Mazars has been built with the scale, capacity, and expertise to support our clients' needs worldwide.

There are no changes to your engagement team, and no changes to the audit approach your team adopts. Our branding and our email addresses will be updated to reflect the new network, but otherwise we do not expect any changes of substance to affect our engagement with the Council.

Further information on Forvis Mazars can be found here: [Forvis Mazars Accountants - Audit, Tax and Advisory Services - United Kingdom](#)

02

National publications

National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
1	CIPFA Bulletins	CIPFA have issued two Bulletins to provide further guidance on the financial reporting requirements.
2	Code of Practice on Local Authority Accounting in the UK 2024/25	Code of Practice for 2024/25 financial statements
3	IFRS16 Leases: A Guide for Local Authority Practitioners 2023 Edition	Guidance for Local Authorities in implementing IFRS16, lease accounting
National Audit Office ('NAO')		
4	NAO insight: Digital transformation in government: a guide for senior leaders and audit and risk committees	The NAO has published a guide for senior leaders and audit and risk committees on Digital transformation in government. The guide can support those tasked with overseeing large-scale digital change to understand the core issues and pitfalls to avoid.
5	NAO report: Non-executive appointments	Non-executive directors ('NEDs') make an important contribution to the running of government. However, the government must do more to ensure the best quality of candidates are recruited.
6	Whole of Government Accounts 2021-22	The NAO has completed its audit of the Whole of Government Accounts 2021-22
7	NAO report: Use of artificial intelligence in government	The NAO has published a report considering how effectively the government has set itself up to maximise the opportunities and mitigate the risks of Artificial Intelligence (AI) in providing public services
Department for Levelling Up, Housing and Communities ('DLUHC')		
8	Addressing the local audit backlog in England: Consultation	This consultation seeks views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog and put the system on a sustainable footing. The consultation closed on 7 March 2024.
Other		
9	Forvis Mazars – Preparing for the Procurement Act 2023	The Procurement Act 2023 is set to transform the procurement procedures for public sector bodies. Our latest article provides an in-depth overview of the new Procurement Act.
10	Forvis Mazars – Understanding the new 'Failure to Prevent Fraud' Offence in a Public Sector context	The UK Government has recently announced a new corporate criminal offence – the 'failure to prevent fraud' offence – within the Economic Crime and Corporate Transparency Act 2023.
11	Office for Local Government (Oflog): consultation on draft Corporate Plan 2024 to 2027	Consultation on corporate plan for the new Office for Local Government

National publications

CIPFA

1. CIPFA Bulletins

Bulletins issued by CIPFA, with the assistance of CIPFA panels, provide practitioners with topical guidance on specific issues and accounting and reporting developments. CIPFA has issued the following Bulletin's in recent months:

CIPFA Bulletin 17 Closure of the 2023/24 Financial Statements

This bulletin covers the closure of accounts for the 2023/24 year and provides further guidance and clarification to complement the 2023/24 Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for Practitioners (Code Guidance Notes). It addresses, where relevant, frequently asked questions and other issues that have arisen since the publication of the 2023/24 Code Guidance Notes.

Link: [CIPFA Bulletin 17 Closure of the 2023/24 Financial Statements](#)

CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement

CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement is intended to provided clarity to those authorities with at least one set of unaudited financial statements for prior years, and their external auditors, on the update of the annual governance statement ('AGS').

Link: [CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement](#)

National publications

CIPFA

2. Code of Practice on Local Authority Accounting in the UK 2024/25

CIPFA has published its 2024/25 Code of Practice. This 2024/25 edition of the Code has been developed by CIPFA/LASAAC and has effect for financial years commencing on or after 1 April 2024.

The Code specifies the principles and practices of accounting required to prepare financial statements which give a true and fair view of the financial position and transactions of a local authority. The Code applies to local government organisations across the UK including local authorities, police bodies, fire services and other local public service bodies.

This edition of the Code introduces mandatory adoption of IFRS 16 Leases. Other amendments include:

- a suggestion that narrative reporting could reflect on the risk that a Section 114 notice might be issued
- recent changes to the IFRS treatment of sale and leaseback arrangements
- specifying the treatment on initial application of IFRS 16 where service concession arrangements provide for variable payments that depend on an index or rate.

<https://www.cipfa.org/policy-and-guidance/publications/c/code-of-practice-on-local-authority-accounting-in-the-united-kingdom-202425-online>

3. IFRS16 Leases: A Guide for Local Authority Practitioners 2023 Edition

This publication provides guidance on IFRS 16 Leases for 2022/23, which is applicable to those authorities deciding to voluntarily implement the requirements of Appendix F of the Code (which includes the specifications applicable to those entities implementing IFRS 16 as of 1 April 2022). It will also be of interest to those intending to apply as of 1 April 2023 and those mandatorily implementing as of 1 April 2024.

This guidance on IFRS 16 provides comprehensive coverage of the proposed requirements for lessees. Although there have not been significant changes to the requirements for lessors, the guidance also includes extensive commentary on this area.

<https://www.cipfa.org/policy-and-guidance/publications/i/ifrs-16-leases-a-guide-for-local-authority-practitioners-2023-edition>

National publications

NAO

4. NAO insight: Digital transformation in government: a guide for senior leaders and audit and risk committees

The NAO has published a guide for senior leaders and audit and risk committees on Digital transformation in government. The guide can support those tasked with overseeing large-scale digital change to understand the core issues and pitfalls to avoid. The guide identifies seven areas where the more persistent obstacles stand in the way of successful digital transformation in government and have grouped them into three themes:

- constraints of the existing environment;
- under-estimating the scope of early work; and
- lack of skills and leadership.

[Digital transformation in government: a guide for senior leaders and audit and risk committees](#)

5. NAO report: Non-executive appointments

Non-executive directors ('NEDs') are crucial to the effective running of government. They are individuals who sit on governing boards of government departments and arm's-length bodies, including non-departmental public bodies and government companies, to provide external expertise. They provide strategic leadership, scrutinise performance, promote transparency and take a long-term perspective.

NEDs make an important contribution to the running of government, providing an independent perspective, expertise, and challenge where needed. However, the government must do more to ensure the best quality of candidates are recruited. This includes fixing the often long and drawn-out appointments and re-appointments process, which poses risks to the quality and diversity of boards, as well as to the governance of those organisations when vacancies are not filled.

[Non-executive appointments](#)

National publications

NAO

6. Whole of Government Accounts 2021-22

The NAO has completed its audit of the 2021-22 Whole of Government Accounts. The Whole of Government Accounts consolidates the accounts of central and local government and public corporations such as the Bank of England, to provide a picture of the UK's public finances.

<https://www.nao.org.uk/reports/whole-of-government-accounts-2021-22/>

7. NAO report: Use of artificial intelligence in government

The NAO has published a report considering how effectively the government has set itself up to maximise the opportunities and mitigate the risks of Artificial Intelligence (AI) in providing public services. The primary focus for this report is the role of the Cabinet Office and DSIT in supporting the adoption of AI in the public sector. Specifically, the report looks at:

- the government's strategy and governance for AI use in public services (Part One).
- how government bodies are using AI and how government understands the opportunities (Part Two).
- central government's plans for supporting the testing, piloting and scaling of AI; and progress in addressing barriers to AI adoption (Part Three).

<https://www.nao.org.uk/reports/use-of-artificial-intelligence-in-government/>

8. Addressing the local audit backlog in England: Consultation

The external auditing of local bodies is vital in supporting democratic accountability and providing assurance for local people and their elected representatives. The consultation sought views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog and put the system on a sustainable footing. The draft statutory instrument covers the core elements of the proposed amendments to the Regulations. The Joint Statement, agreed with system partners, provides vital context and explains the cross-system proposals and how the various elements are intended to interact.

The consultation ran from 8 February 2024 to 7 March 2024. Documents relating to the consultation are still available for download at the link below, which is also the place where the outcome to the public feedback will be available.

[Addressing the local audit backlog in England: Consultation](#)

National publications

Other

9. Forvis Mazars – Preparing for the Procurement Act 2023

The Procurement Act 2023 is set to transform the procurement procedures for public sector bodies in the UK by:

- enhancing transparency in procurement processes, requiring greater disclosure of information about procurement opportunities;
- improving efficiency by introducing new measures such as electronic procurement platforms; and
- promoting fairness to ensure all suppliers have equal access to government contracts.

Our latest article provides an in-depth overview of the new Procurement Act, including when it will be implemented, key provisions and how public sector organisations can prepare.

[Preparing for the Procurement Act 2023](#)

10. Forvis Mazars – Understanding the new ‘Failure to Prevent Fraud’ Offence in a Public Sector context

The UK Government has recently announced a new corporate criminal offence – the ‘failure to prevent fraud’ offence – within the Economic Crime and Corporate Transparency Act 2023.

Fraud is currently the most common crime in the UK, and this new offence is designed to drive a cultural shift, encouraging organisations to improve their prevention procedures and reduce instances of fraud. It strengthens existing powers to fine and prosecute organisations for fraud committed by their employees and agents, closing loopholes that have allowed organisations to avoid prosecution in the past.

This new offence holds large organisations, both in the public and private sectors, accountable for fraudulent activities committed by their employees or agents.

[‘Failure to Prevent Fraud’ in the Public Sector](#)

National publications

Other

11. Office for Local Government (Oflog): consultation on draft Corporate Plan 2024 to 2027

Oflog consulted on its draft Corporate Plan 2024-2027. The consultation ran from 15 February 2024 to 14 March 2024. The Corporate Plan proposes how Oflog will deliver its strategic objectives set out in the remit letter from the Secretary of State for Levelling Up, Housing and Communities. Oflog will publish its final Corporate Plan later this year.

<https://www.gov.uk/government/consultations/office-for-local-government-oflog-consultation-on-draft-corporate-plan-2024-to-2027>

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