



Audit Progress
North West Leicestershire District Council

September 2024

Audit Progress

Introduction

In August 2024, following consultation in April, Government published its proposals 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 mean the auditor cannot complete 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 discharge their value for money (VFM) responsibilities, which requires VFM work to be completed by the date of the audit opinion.

On 9 September, the Government laid before Parliament the Accounts and Audit (Amendment) Regulations 2024 as required to enact the proposals previously announced. At the same time, the Comptroller and Auditor General (C&AG) of the National Audit Office (NAO) laid before Parliament a draft revised Code of Audit Practice (the Code) 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.

The initial focus of this guidance is on supporting the reset for incomplete audits up to and including the 2022/23 financial year and the implementation of the backstop dates for the publication of audited accounts. The NAO will issue further guidance to support the recovery phase in due course.

Whilst the guidance is primarily aimed at supporting auditors, it makes clear the requirements on local authorities to prepare good quality accounts, clear and comprehensive working papers and supported by knowledgeable finance teams.

Impact on the audit of North West Leicestershire District Council

We have engaged regularly with the Section 151 officer over the potential impact of the backstop measures since they were first announced earlier this year. Following publication of the final backstop dates we have considered the impact on our ability to deliver a complete audit of the Council's statement of accounts for 2021/22 and 2022/23 to enable the Council to published audited accounts by the new statutory deadlines.

Whilst we have performed a proportion of work on the 2021/22 accounts, we have determined that there is insufficient time to deliver complete audits for 2021/22 and 2022/23. We have communicated our decision to the Section 151 officer.

We will continue to engage with the Section 151 officer and his team and will provide more details on the practicalities of meeting the backstop requirements and will liaise with your incoming auditors, once they contact us, to enable them to commence the process of rebuilding assurance.

Contact

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