NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	**EXTERNAL AUDIT - BUILDING BACK ASSURANCE**	
Presented by	Jon Illingworth Strategic Director of Resources (Section 151 Officer)	
Background Papers	None	**Public Report:** Yes
Financial Implications	There are no financial implications as a direct result of this report.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	There are no legal implications as a direct result of this report.	
	Signed off by the Deputy Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing or corporate implications as a direct result of this report	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To present the External Auditor's Building Back Assurance update and provide members with an overview of the work being undertaken to restore full audit assurance over the Council's Statement of Accounts following a number of years where disclaimer audit opinions have been issued.	
Recommendations	**FOR AUDIT AND GOVERNANCE COMMITTEE TO NOTE THE EXTERNAL AUDITOR'S BUILDING BACK ASSURANCE UPDATE.**	

1.0 BACKGROUND

1.1 Timely and reliable financial reporting is fundamental to good governance, transparency and public accountability. The Council, together with its external auditor, is committed to restoring confidence in the financial statements following several years in which audit opinions have been disclaimed as a consequence of the national local audit backlog and the absence of sufficient historic assurance.

1.2 The Building Back Assurance programme is a structured approach developed by the Council's external auditors, Azets, in accordance with statutory guidance issued through the Local Audit Reset and Recovery Implementation Guidance (LARRIG). The objective is to progressively rebuild audit assurance over key financial balances and ultimately return to a position where a full audit opinion can be issued.

1.3 The predecessor auditor issued disclaimer opinions for the financial years 2021/22 and 2022/23. Disclaimer opinions were also issued by Azets for 2023/24 and 2024/25. As a result, assurance over opening balances and historic transactions needs to be rebuilt before a full audit opinion can be restored.

1.4 Nationally, the Government introduced statutory backstop dates to address the audit backlog across local government. These arrangements require auditors to issue audit reports before specified deadlines, even where all planned audit procedures have not been completed. For 2025/26, the statutory backstop date is 31 January 2027.

2.0 BUILDING BACK ASSURANCE STRATEGY

2.1 At the time of writing, the external auditor's update was still being finalised. Representatives from Azets will present the Strategy at this meeting.

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and Zero Carbon	None
Consultation/Community/Tenant Engagement:	None
Risks:	None
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