

REPORT TO:	Audit Committee	
DATE:	22 September 2025	
PORTFOLIO:	Councillor Vanessa Alexander - Resources and Council Operations	
REPORT AUTHOR:	Ben Cookson, Head of Finance	
TITLE OF REPORT:	Update on External Audits	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Select: Y/N	Not applicable
KEY DECISION:	Select: Y/N	If yes, date of publication:

1. Purpose of Report

1.1 To update Committee Members on the current position regarding external audits of the Council's Statement of Accounts, including:

- Completion of the 2023/24 audit and receipt of the audit certificate.
- Status of the 2024/25 accounts and audit cycle.
- Implications of the Government's backstop legislation.
- Next steps required to ensure compliance with statutory deadlines.

2. Recommendations

2.1 That the Audit Committee:

- Note the completion of the 2023/24 audit and receipt of the audit certificate.
- Note that the Council is now up to date with its audit obligations and operating on a normal audit cycle.
- Approve the scheduling of an Audit Committee meeting before 27 February 2026 to enable approval and publication of the 2024/25 audited accounts.
- Note that disclaimed audit opinions are expected for the next few years due to sector-wide challenges in rebuilding assurance.
- Note that £44,000 of Government grant funding has been received in the current financial year to support audit work, with a further £166,000 expected in early 2026.

3. Reasons for Recommendations and Background

- 3.1 The Government introduced statutory backstop dates to address the national backlog in local authority audits. These dates require audited accounts to be published by set deadlines. Where audits cannot be completed in time, auditors are expected to issue modified or disclaimed opinions to meet the statutory requirement. For Hyndburn, this has resulted in disclaimed opinions for 2021/22, 2022/23, and 2023/24.
- 3.2 The Council's 2023/24 accounts were approved and published in June 2024, ahead of the statutory deadline. Forvis Mazars issued a disclaimer of opinion on 25 February 2025, citing insufficient time to complete audit procedures. This aligns with national guidance and does not indicate concerns about fraud or misstatement.
- 3.3 The Council has now received the audit certificate for 2023/24, confirming that no further work is required following final confirmation from the Whole of Government Accounts (WGA). This formally closes the audit for that year.
- 3.4 The Statement of Accounts for 2024/25 was published on 30 June 2025, in line with the statutory backstop date. A 30-day public inspection period followed, ending 6 August 2025, with no public responses received.
- 3.5 The Council is now up to date with its audit obligations and has returned to a normal audit cycle. The auditors are currently progressing the Value for Money (VfM) element of the 2024/25 audit, and the Finance team has provided the necessary information to support this work.
- 3.6 The Council has been advised by its external auditors, Forvis Mazars, that the audit of the 2024/25 Statement of Accounts will commence towards the end of the financial year. This timing will allow sufficient opportunity for the audit to be completed in line with the statutory backstop date of 27 February 2026. To facilitate this, Members are asked to ensure that an Audit Committee meeting is scheduled prior to this deadline to enable formal approval and publication of the audited accounts.
- 3.7 It is anticipated that disclaimed audit opinions will continue for the next few years due to the sector-wide backlog and the need to rebuild assurance over opening balances. This is consistent with national guidance and does not reflect any financial mismanagement by the Council.
- 3.8 To support audit recovery efforts, the Council has received £44,000 from the national £49m audit recovery fund. A further £166,000 is expected in early 2026. This funding will be used to continue improving audit readiness and financial reporting quality.

4. Alternative Options considered and Reasons for Rejection

- 4.1 n/a

5. Consultations

5.1 n/a

6. Implications

Financial implications (including any future financial commitments for the Council)	The Council has received £44,000 from the national audit recovery fund, with a further £166,000 expected in early 2026. This funding supports improvements in financial reporting and audit readiness. Future costs may arise from additional audit work on prior years and continued investment in finance team capacity and systems.
Legal and human rights implications	
Assessment of risk	Disclaimed audit opinions pose reputational risks and may affect stakeholder confidence. Delays in resolving historic audit issues could prolong modified opinions. Operational risks include resource pressures and audit fatigue. These are being mitigated through earlier account preparation, improved documentation, and proactive engagement with auditors.
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	

7. Local Government (Access to Information) Act 1985: List of Background Papers

7.1 Copies of documents included in this list must be open to inspection and, in the case of reports to Cabinet, must be published on the website.

If the report is public, insert the following paragraph. If the report is exempt, contact Member Services for advice.

8. Freedom of Information

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.