External Audit Progress Report

Rossendale Borough Council

July 2026

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Purpose of this report

This report provides the Audit and Accounts Committee with information about progress in delivering our responsibilities as your external auditor.

Background to the external audit at the Council

To provide the Audit and Accounts Committee with a brief understanding of the recent history of the Council's external audit, we have set out a chronology and some further background contextual information.

The requirements for external audit in local government are enshrined in legislation – the Local Audit & Accountability Act 2014. The Act sets out the scope of external audit which is further detailed in a Code of Audit Practice, issued by the National Audit Office under the 2014 Act. The 2014 Act and the Code of Audit Practice set out the two main responsibilities for external auditors as being:

- To audit local authorities' financial statements and issue an Audit Report.
- To satisfy themselves the local authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money arrangements responsibility and the auditor's commentary on the arrangements in place is reported in their Auditor's Annual Report.

External auditors for local authorities are appointed by Public Sector Audit Appointments Ltd under the Local Audit & Accountability Act 2014. Forvis Mazars are appointed as the Council's external auditor until its demise through the proposed Local Government Reorganisation for Lancashire.

During 2019/20 and 2020/21 a large number of external audits were delayed, and this impacted on the ability of auditors to complete 2021/22 and future years audits. A significant backlog of unaudited accounts built up as a result. In 2024 legislation was enacted to put in place 'backstop dates' by when local authorities must publish their audited accounts for all years up to 2027/28. Where external auditors were unable to complete their audit by the backstop date for a financial year the auditor would issue a 'Disclaimer of Opinion' providing no assurance on the financial statements. The backstop dates are:

Financial year	Backstop date
2022/23 and earlier	13 December 2024
2023/24	28 February 2025
2024/25	27 February 2026

Financial year	Backstop date
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

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Audit progress

We were appointed as the Council's external auditor for the year ended 31 March 2019. At the date of our appointment, the predecessor auditor had not yet completed the audit of the Council's 2017/18 financial statements.

The Council subsequently experienced significant delays in the preparation and publication of its annual financial statements. The 2019/20 Statement of Accounts was not produced until early 2023, while the 2020/21 and 2021/22 financial statements were both published in late 2023. The 2022/23 financial statements were subsequently published in early 2024.

Since then, the Council has made significant progress in addressing the historic backlog and has published its financial statements for 2023/24, 2024/25 and 2025/26 within the statutory deadlines.

However, as a consequence of the historic backlog and the impact this had on our ability to obtain sufficient appropriate audit evidence over opening balances and comparative information, we have issued disclaimer opinions on the Council's financial statements for each of the years ended 31 March 2019 to 31 March 2025.

Progress on the audit for the year ending 31 March 2025

Whole of government accounts

The final element of our 2024/25 audit relates to the work the National Audit Office (NAO) require auditors to carry out on the Council’s Whole of Government Accounts (WGA) return. We have now received confirmation from the NAO that no further work is required on the WGA return. We will issue our audit certificate in the coming weeks.

Progress on the audit for the year ending 31 March 2026

Audit of financial statements

The primary focus of our 2025/26 audit is to determine whether or not we can develop and deliver an effective audit strategy for rebuilding assurance on the unaudited opening balances from the prior periods before the Council’s demise. This means we will issue a disclaimer of opinion on the 2025/26 financial statements. For information, if we conclude we can develop an appropriate strategy, the Council would move to a ‘Qualified’ audit opinion for up to two years before moving back to an unmodified opinion .

Audit progress

Value for Money Arrangements

We will be reporting on the Council’s value for money arrangements by the end of November 2026, when our Auditor’s Annual report is required to be issued.

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National Publications

National publications

	Publication/update	Key points	
Chartered Institute of Public Finance and Accountancy (CIPFA)			
1	Code Of Practice On Local Authority Accounting In The United Kingdom 2026/27	The 2026/27 Code has been developed by CIPFA/LASAAC and has effect for financial years commencing on or after 1 April 2026	
2	Service Reporting Code of Practice for Local Authorities 2026/27	SeRCOP is prepared in accordance with the financial reporting framework established by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code)	
3	CIPFA Bulletin 23 – Closure of the 2025/26 financial statements	Bulletin covers the closure of accounts for 2025/26	
National Audit Office (NAO)			
4	Responding to changing demand for school places	Report focusing on the falling pupil numbers in primary schools	
Forvis Mazars			
5	Mapping public sector risk, resilience and readiness	Report examining the key challenges and opportunities facing public and social sector organisations across the UK	

National publications and technical updates

CIPFA

1. Code Of Practice On Local Authority Accounting In The United Kingdom 2026/27

Local authorities in the UK are required to keep their accounts in accordance with ‘proper (accounting) practices’. Public sector organisations responsible for locally delivered services are required by legislation to comply with the terms of the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This 2026/27 edition of the Code has been developed by CIPFA/LASAAC and has effect for financial years commencing on or after 1 April 2026.

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.

CIPFA Code of Practice 2026/27 | CIPFA

2. Service Reporting Code of Practice for Local Authorities 2026/27

SeRCOP is prepared in accordance with the financial reporting framework established by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). It applies to all local authority services throughout the UK from 1 April 2026 for the preparation of 2026/27 budgets and performance indicators, and the completion of government statistical reporting requirements. SeRCOP is reviewed annually to ensure that it develops in line with the needs of local government, transparency, best value and public services reform.

SeRCOP 2026/27 | CIPFA

3. CIPFA Bulletin 23 – Closure of the 2025/26 financial statement

This bulletin covers the closure of accounts for the 2025/26 year and provides further guidance and clarification to complement the 2025/26 Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for Practitioners (Code Guidance Notes). It addresses frequently asked questions and other issues that have arisen, along with corrections to the 2025/26 Code.

CIPFA Bulletin 23 – Closure of the 2025/26 financial statement | CIPFA

National publications

NAO

4. Responding to changing demand for school places

This report examines DfE’s approach to supporting the school system in England respond to falling pupil numbers, seen in primary schools since 2018/19. The report:

- describes responsibilities, how pupil numbers have changed and what this means for school finances and outcomes for children
- assesses whether DfE has a good understanding of the changes in pupil numbers and provision of school places
- evaluates the effectiveness of DfE’s overarching response to changes in national demand for school places, through its sector support and oversight The report shares lessons about these capabilities and the management and leadership environment that is required for government to provide better services.

Responding to changing demand for school places - NAO report

National publications

Forvis Mazars

5. Mapping public sector readiness, risk and resilience

Our mapping public sector risk, resilience and readiness 2026 report examines the key challenges and opportunities facing public and social sector organisations across the UK.

Based on insights from more than 100 senior leaders, it explores how organisations are responding to financial pressures, workforce challenges and digital transformation while building resilience for the future.

This year's report focuses on four key themes:

- Financial sustainability and organisational resilience
- Workforce challenges, recruitment and skills development
- Digital transformation, AI and cyber resilience
- Outlook and sentiment across the public sector

Mapping public sector risk, resilience and readiness - Forvis Mazars

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