

<b>Classification:</b> Open	<b>Decision Type:</b> Key
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<b>Report to:</b>	Audit Committee	<b>Date:</b> 17 February 2026
<b>Subject:</b>	Statement of Accounts 2024/25	
<b>Report of</b>	Director of Finance	

## Summary

- 1.1 In accordance with the Accounts and Audit Regulations 2015 (as amended) the 2024/25 Draft Unaudited Statement of Accounts were signed by the Director of Finance (S151 Officer) on 14 October 2025 and published on the Council's website as well as the Annual Governance Statement for the year on 15 October 2025. The 30-working day period for the Exercise of Public Rights commenced on 16 October 2025 and ended on 26 November 2025.
- 1.2 Forvis Mazars remains the Council's external auditors for the 2024/25 financial year up to 2028/29 based on their appointment by the PSAA.
- 1.3 The Accounts and Audit (Amendment) Regulations 2024 came into force on the 30 September 2024, this legislated the statutory backstop dates, including the 2024/25 Statement of Accounts of 27 February 2026. To comply with the backstop date legislation the Council must publish accountability statements on the website by this backstop date, accountability statements need to include:
  - The Statement of Accounts together with the Audit Opinion and any certificate.
  - The Annual Governance Statement.
  - The Narrative Statement (the Council includes this within the Statement of Accounts)
- 1.4 The Accounts and Audit (Amendment) Regulations 2024 require those charged with governance to approve the final audited accountability statements prior to publication. Therefore, Audit Committee are asked to approve the 2024/25 Statement of Accounts (Appendix 2) and Annual Governance Statement (Appendix 3) and for the Chair of the Audit Committee and the Director of Finance to sign the 2024/25 Statement of Accounts at the meeting and delegate authority to the Leader and Chief Executive to sign-off the 2024/25 Annual Governance Statement.

## Recommendation(s)

- 2.1 Consider the 2024/25 Management Representation Letter.
- 2.2 Consider the 2024/25 External Audit Strategy and Completion Report.
- 2.3 Approve the 2024/25 Statement of Accounts and Annual Governance Statement.
- 2.4 For the Director of Finance (S151 Officer) to sign the 2024/25 Management Representation Letter at the meeting.
- 2.5 For the Chair of the Audit Committee and Director of Finance (S151 Officer) to sign-off the 2024/25 Statement of Accounts, and

- 2.6 To delegate authority to the Leader and Chief Executive to sign-off the 2024/25 Annual Governance Statement.

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## Background

### Reasons for Recommendation(s)

- 3.1 Under the Local Government and Housing Act 1989 preparation of the Council's accounts must follow proper practices, which includes compliance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting.
- 3.2 The arrangements for preparing and publishing the Council's accounts are set out in the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2024. Under these regulations the Director of Finance (S151 Officer) is responsible for determining the Council's accounting systems, form of accounts and supporting accounting records.
- 3.3 The attached Combined Audit Strategy and Completion Report (Appendix 1) summarises Forvis Mazars audit findings from the audit of the 2024/25 Statement of Accounts and identifies any issues to be addressed.
- 3.4 Audit Committee is required to approve the 2024/25 Statement of Accounts (Appendix 2) and the 2024/25 Annual Governance Statement (Appendix 3) to conclude the audit process.
- 3.5 Audit Committee have previously been advised that the backstop and related disclaimed opinion would apply to the 2024/25 audit and accounts as a result of not having time to complete the audit work required.

### Accounts and Audit Regulations

- 3.6 The Accounts and Audit (Amendment) Regulations 2024 came into force on the 30 September 2024, this legislated the statutory backstop dates as follows:

Financial Year Accounts	Deadline
2024-25	27 February 2026
2025-26	31 January 2027
2026-27	30 November 2027
2027-28	30 November 2028

- 3.7 To comply with the backstop date legislation the Council must publish accountability statements on the website by the backstop date, accountability statements need to include:

- The Statement of Accounts together with the Audit Opinion and any certificate.
  - The Annual Governance Statement.
  - The Narrative Statement (the Council includes this within the Statement of Accounts)
- 3.8 Those charged with governance are required to approve the final audited accountability statements prior to publication.
- 3.9 Bodies that are exempt or have failed to comply with a backstop date will be required to publish an explanation and publish audited accountability statements as soon as practicable. The government intends to publish a list of bodies and auditors that do not meet the proposed backstop dates and are not exempt, those bodies will need to send a copy of the published explanation to the secretary of state.
- 3.10 To meet the 'backstop dates', some local authorities will need to publish financial accounts with less confidence than usual, while some auditors will need to issue audit opinions by the deadline, without obtaining the usual level of evidence.
- 3.11 As a result of the backstop dates, it is probable many council's financial statements will be published with 'modified' opinions, which will vary depending on the extent to which the auditor lacked evidence or found material misstatements, and whether these issues were limited to specific areas or affected the accounts more broadly.

### **Audit Completion Report to Those Charged with Governance**

- 3.12 The objective of the audit under auditing standards is to obtain sufficient evidence to conclude that there is reasonable assurance that the financial statements are free from material misstatement. Where an auditor is unable to gain enough evidence or is unable to reach this conclusion based on the evidence gathered, they are required to issue a modified opinion. Auditors will disclaim their opinion where they lack the evidence to support an opinion.
- 3.13 There are four opinions that an auditor may give on completion of their audit work. These are:

<b>Audit Opinion</b>	<b>Description</b>
Unmodified	This is the best possible outcome. It means the auditor obtains sufficient evidence to support a view that the financial statements are materially accurate and fairly represent the audited body's financial situation.
Qualified	This is problematic. The auditor has material concerns either because of a lack of evidence or evidence which suggests material error. However, the effect on the financial statements is contained in specific areas and is not widespread.
Disclaimer of Opinion	This is potentially more problematic than being qualified, reflecting a lack of evidence which means that the auditor cannot provide an opinion. The possible effects on the financial statements of undetected misstatements could be both material and widespread.
Adverse Opinion	Normally considered the worst-case scenario. The auditor does have sufficient evidence, but it suggests that material misstatements exist that undermine the reliability of the financial statements as a whole.

3.14 The Combined Audit Strategy and Completion Report issued by Forvis Mazars for 2024/25 is attached at Appendix 1 for consideration.

### **Value for Money (VFM) Report**

3.15 On 1 April 2020, the National Audit Office issued a new Code of Audit Practice (the 2020 Code). Which introduced changes how local auditors were expected to approach and report their work on VFM arrangements that applied to the 2020/21 audits onwards.

3.16 The new approach from 2020/21 onwards re-focuses the work of local auditors to:

- promote more timely reporting of significant issues to local bodies.
- provide more meaningful and more accessible annual reporting on VFM arrangements issues in key areas.
- provide a sharper focus on reporting in the key areas of financial sustainability, governance, and improving economy, efficiency and effectiveness.
- provide clearer recommendations to help local bodies improve their arrangements.

3.17 For 2020/21 audits onwards, the key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, therefore not a VFM arrangements 'conclusion' or an 'opinion' in the same sense as the opinion on the financial statements themselves.

3.18 The commentary will enable auditors to explain the work they have undertaken during the year, and to highlight any significant weaknesses that they have identified and brought to the body's attention, along with their recommendations for improvement. The commentary will, however, also allow auditors to better reflect local context and draw attention to emerging or developing issues which may not represent significant weaknesses, but which may nevertheless require attention from the body itself.

3.19 The reporting criteria of the VFM Report are:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks.
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

3.20 The VFM Report issued by Forvis Mazars for 2024/25 are within the external auditor Combined Audit Strategy and Completion report at Appendix 1 for consideration.

### **Statement of Accounts**

3.21 The format and content is defined in regulations and specified in the relevant sections of the CIPFA/LASAAC Code of Practice, and comprises:

- Narrative Statement
- Statement of Responsibilities for the Statement of Accounts
- Core Financial Statements
- Expenditure and Funding Analysis
- Notes to the Core Financial Statements

- Supplementary Statements: Housing Revenue Account (HRA), Collection Fund
- Group Accounts
- Notes to the Group Accounts
- Glossary of Terms

3.22 The Council's Statement of Accounts for 2024/25 is attached at Appendix 2 for consideration and approval.

### **Annual Governance Statement (AGS)**

3.23 A key role of Audit Committee is to oversee the Council's control environment and the associated system of internal controls and assurance processes. Audit Committee must satisfy itself that the Authority's assurance statements, in particular the AGS, properly reflects the risk environment and any actions needed to improve it.

3.24 The AGS therefore sets out the governance issues that are deemed significant and the actions that are being taken to address them. The Council is required to exercise judgment in deciding whether or not a particular issue should be deemed significant. Factors which are used in exercising that judgment include:

- Whether the issue seriously prejudiced or prevented achievement of a principal objective.
- Whether the issue has resulted in a requirement to seek additional funding to allow it to be resolved or has resulted in significant diversion of resources from another aspect of the business.
- Whether the external auditor regards it as having a material impact on the accounts.
- Whether the Audit Committee, or equivalent, advises it should be considered significant for this purpose.
- Whether the Head of Fraud, Audit, Insurance & Risk reports on it as significant, for this purpose, in the annual opinion on the internal control environment.
- Whether the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation.

3.25 The information provided in the AGS regarding significant governance issues may include a description of the weakness and its impact on the Council in order to improve disclosure and provide context for the actions taken. The Council is required to balance utility to the reader of the AGS against the need for discretion in such disclosure to avoid further adverse impacts or exploitation of the weakness.

3.26 The Council's Annual Governance Statement for 2024/25 is attached at Appendix 3 for consideration and approval.

### **Management Representation Letter**

3.27 The purpose of the Letter is for the Director of Finance (S151 Officer) to express an opinion:

- Whether these financial statements give a true and fair view of the financial position of the Authority as at 31 March 2025 and of the Council's expenditure and income for the year then ended.
- Whether the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority.

3.28 The Management Representation Letter for 2024/25 are within the external auditor Combined Audit Strategy and Completion Report at Appendix 1 for consideration and approval.

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### **Links with the Corporate Priorities:**

The production and publication of the Statement of Accounts provides valuable information to the residents of the Council and to its suppliers.

A strong financially sustainable Council is essential to the delivery of the Let's do it Strategy.

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### **Equality Impact and Considerations:**

The statement of Accounts is a record of past financial expenditure. It does not determine future resource allocation.

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### **Environmental Impact and Considerations:**

There are no implications to an increased carbon impact of this decision.

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### **Assessment and Mitigation of Risk:**

<b>Risk / opportunity</b>	<b>Mitigation</b>
There is a risk of misstatement	Accounts are reviewed by Mazars and their opinion of both set of accounts is independent to the Council

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### **Legal Implications:**

The localised accounts process was established pursuant to the Local Audit and Accountability Act 2014, the system ensures that the Councils accounts are independently verified by the Council's external auditors Mazars ensuring good governance and financial transparency.

This report is submitted to Audit committee in accordance with the financial regulations as set out in the Council constitution.

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### **Financial Implications:**

The statement of accounts are an essential part of any organisation and represent the financial position of the business for that particular financial year. For public sector organisations they are statutory and give the public and central government assurance that tax payers money is being expended in an economic and efficient way. These accounts not only report the in year position but also the future stability of the organisation through the strength of its balance sheet and cash flow.

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### **Appendices:**

Appendix 1: Bury 2024/25 Combined Audit Strategy and Completion Report  
Appendix 2: Bury 2024/25 Audited Statement of Accounts

Appendix 3: Bury 2024/25 Annual Governance Statement

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**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning