

Independent auditor's report to the members of Dorset Council

In our auditor's report issued on 25 February 2025, we explained that we could not formally conclude the audit and issue an audit certificate for Dorset Council (the 'Authority') for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had received confirmation from the National Audit Office that the audit of the Whole of Government Accounts (WGA) is complete for the year ended 31 March 2024. The NAO has now concluded their work in respect of WGA for the year ended 31 March 2024 and confirmed that audit certificates held open in relation to this can be issued. We are therefore satisfied all audit work necessary has been completed.

Disclaimer of opinion on the financial statements

In our auditor's report for the year ended year ended 31 March 2024 issued on 25 February 2025 we reported that, we do not express an opinion on the accompanying financial statements of the Authority. Because of the significant matters described in the basis for disclaimer of opinion of our auditor's report, we were unable to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Opinion on the pension fund financial statements

In our auditor's report for the year ended 31 March 2024 issued on 25 February 2025 we reported that, we do not express an opinion on the accompanying financial statements of the Pension Fund. Because of the significant matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

In our auditor's report for the year ended 31 March 2024 issued on 25 February 2025 we reported that: we have nothing to report in respect of whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024 except:

- On 8 July 2024 we identified a significant weakness in the Authority's arrangements for financial sustainability. This was in relation to the Authority's plan to address the Dedicated Schools Grant (DSG) deficit, which is currently not on target to eliminate the cumulative deficit within the planned timescale agreed with the Department for Education (DfE). We recommended that the Authority should continue to renegotiate its Safety Valve management plan with the DfE to ensure the Authority can manage its DSG deficit and remain financially sustainable.

- On 24 February 2025 we identified a significant weakness in the Authority's arrangements for governance and improving economy, efficiency and effectiveness. This was in relation to the Authority's procurement arrangements and non-compliance with its contract procedure rules and scheme of delegation. We recommended that the Authority ensure controls and procedures are compliant and in line with the Authority's contract procedure rules and constitution, review all spend with suppliers to identify instances where procurement has not been in accordance with contract procedure rules or procurement legislation and ensure that appropriate action is taken to ensure breaches are identified in a timely manner. The Authority should also report contract waivers and breaches to members at a public meeting, ensure that there is no residual risk to the Authority from those services procured by non-compliant methods and ensure that as further investigations are concluded, prompt action is taken with consideration given to actions which would apply to other areas of the Authority.

No matters have come to our attention since that date that would have resulted in any additional exception reporting on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Dorset Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julie Masci

Julie Masci, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

26 February 2026