Nottinghamshire County Council

Report to Governance and Ethics Committee

26 November 2025

Agenda Item:12

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

EXTERNAL AUDIT - AUDIT COMPLETION REPORT 2024/25

Purpose of the Report

1. To inform the Governance and Ethics Committee of the contents of the external auditors' Audit Completion Reports 2024/25.

2. To seek approval for Committee to delegate responsibility to the Section 151 Officer, in consultation with the Chairman of the Governance and Ethics Committee, to approve the Statement of Accounts 2024/25 on completion of all external audit work.

Local Authority Audit Sector Summary

3. The difficulties facing the local authority audit sector are well-documented and, as at mid-2024, the backlog in the publication of audited accounts of local bodies in England reached an unacceptable level. Only 1% of 2022/23 audits had been completed on time, with 918 unaudited accounts outstanding.

4. The Government has responded to these difficulties by proposing major reforms to the sector including:-

   - A new Local Audit Office to oversee and co-ordinate audits
   - Simplified financial reporting to ease the burden on councils
   - Provide funding to help clear audit backlogs and manage rising audit fees
   - Introduce statutory deadlines to accelerate audit completion.

5. Both Nottinghamshire County Council and Nottinghamshire Pension Fund are in positive positions with regard to the status of accounts. For both, the 2023/24 accounts were signed off on 25 January 2025. Also, the 2024/25 Draft Statement of Accounts were published onto the Council's website by the statutory deadline of 30 June 2025 and can be seen in the appendices to this report.

Audit Results

6. The statutory audit of the Statement of Accounts 2024/25 for both the County Council and the Pension Fund has been undertaken by Forvis Mazars LLP. The audits were completed satisfactorily and, subject to outstanding queries being resolved to their satisfaction, it is

anticipated that the final audit reports will include unqualified opinions on the financial statements.

7. The Audit Completion Reports 2024/25 (ACRs) for both the County Council and the Pension Fund have been completed and can be seen in the appendices to this report. The auditor's draft opinion of the Nottinghamshire County Council and Nottinghamshire Pension Fund Statement of Accounts are as follows:-

8. The draft audit opinion for both the County Council and the Pension Fund set out that the financial statements:-

    a. Give a true and fair view of the financial position of the accounts as at 31 March 2025 and of its expenditure income for the year and;

    b. Have been properly prepared in accordance with the CIPFA/LASACC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

9. The final opinions will be published within the audited Statement of Account documents shortly after they have been approved. It is expected that Mark Surridge (Partner – Forvis Mazars) will talk through the ACR reports and take any questions at this meeting.

10. It is important to note that the ACRs do not identify any significant findings associated with the main risk areas in both the County Council and Pension Fund. In addition, no significant deficiencies were identified with regard to internal control processes.

11. As is usual with any audit, however, the auditors have provided observations on the Council's non-significant internal controls where, in their opinion, there is a need to strengthen internal control or enhance business efficiency. The respective finance teams will review these areas and any other findings within the ACRs with a view to improving control processes and aiding the efficiency of future audits. The auditors have also provided a summary of misstatements that have not been adjusted for as management deems them to be non-material.

12. The statement of accounts is one of the key documents prepared by the Council to demonstrate good governance and value for money. This provides information about the County Council's financial position, performance and cash flows and consequently, shows the results of the stewardship and accountability of elected members and management for the resources entrusted to them, which is of paramount importance in the use of public funds.

13. The results of this year's audit are a continued positive reflection of the Council's performance, particularly in the context of the continuing changes and complexities arising from International Financial Reporting Standards and the challenge of finalising the accounts to tight deadlines.

14. On completion of all external work, including the Value for Money assessment, and as required by The Accounts and Audit (England) Regulations 2015, it is proposed that the Council's S151 Officer will re-certify the accounts, the Chairman of the Governance and Ethics Committee will sign the Statement of Approval and the S151 Officer and Chairman of the Governance and Ethics Committee will sign the letters of representation.

Other Options Considered

15. The external auditors are required by statute to report their Audit Completion Report to the Council and the Council is required to formally approve the Statement of Accounts.

Reason for Recommendation/s

16. To provide information to Members on the External Auditors' Audit Findings Report 2024/25 and arrange for the re-certification and approval of the Statement of Accounts 2024/25.

Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

18. That the Committee:-

    a. Notes and comments upon the external auditors' Audit Completion Reports 2024/25.

    b. Delegates responsibility to the Section 151 Officer, in consultation with the Chairman of the Governance and Ethics Committee, to approve the Statement of Accounts 2024/25 on completion of all external audit work.

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For any enquiries about this report please contact:
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Legal Implications (CM 18/11/2025)

19. The report falls within the terms of reference of the Governance and Ethics Committee.

Local Government Reorganisation Implications (GB 17/11/2025)

20. There are no Local Government Reorganisation implications arising directly from this report.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

Electoral Division(s) and Member(s) Affected

All