



# Audit Progress Report **Nottinghamshire County Council**

March 2025

# Contents

- 01** Overview of 2023/24 engagement
- 02** 2024/25 Audit Progress
- 03** National Publications
  
- Appendix** 2023/24 Auditor’s Annual Report

This document is to be regarded as confidential to Nottinghamshire County Council. It has been prepared for the sole use of the Audit Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.



# 01

Overview of 2023/24 engagement



# Overview of engagement

We are appointed to perform the external audit of Nottinghamshire County Council (the Council) for the year ending 31 March 2024. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), and we summarise the position to date as follows:

Area	Responsibilities	Status: Nottinghamshire County Council	Status: Nottinghamshire Pension Fund
<b>Audit opinion</b>	We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting. Our audit does not relieve management or the Audit Committee, as Those Charged With Governance, of their responsibilities.	<p>Our audit findings were presented in our Audit Completion Report on 27<sup>th</sup> November 2024. We reported that there were 2 immaterial unadjusted misstatements, and no adjusted misstatements above our trivial threshold. No significant deficiencies in internal control were identified, but we raised some internal control recommendations.</p> <p>We issued our audit report on 22<sup>nd</sup> January 2025, ahead of the backstop date. Our opinion on the financial statements was unqualified. We issued a follow-up letter to our Audit Completion Report (ACR) on this date, which confirmed the outstanding matters per the ACR had been completed, with 4 control weaknesses relating to IT general controls identified.</p>	<p>Our audit findings were presented in our Audit Completion Report on 27<sup>th</sup> November 2024. We reported that no misstatements, unadjusted or adjusted, above our trivial threshold, had been identified. No significant deficiencies in internal control were identified, but we raised one internal control recommendation.</p> <p>We issued our audit report on 22<sup>nd</sup> January 2025. Our opinion on the financial statements was unqualified. We issued a follow-up letter to our Audit Completion Report (ACR) on this date, which confirmed the outstanding matters per the ACR had been completed, with one immaterial unadjusted misstatement identified.</p> <p>We also concluded that the Pension Fund financial statements within the Pension Fund's Annual Report are consistent with the Pension Fund financial statements within the Statement of Accounts of Nottinghamshire County Council.</p>
<b>Value for money</b>	We are responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources.	We did not identify any significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. We issued our commentary on the Council's arrangements in our Auditor's Annual Report (AAR) on 22 <sup>nd</sup> January 2025. We have included our AAR as an appendix to this report.	Not applicable.
<b>Wider reporting and electors' rights</b>	<p>We report to the National Audit Office (NAO) on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.</p> <p>The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.</p>	<p>We have not yet received group instructions from the National Audit Office in respect of our work on the Council's WGA submission. Our work on the Council's Whole of Government Accounts return will remain incomplete until we receive final instructions.</p> <p>We have not received any correspondence or objections from local electors, and we have not used any of our wider powers.</p>	<p>WGA is not applicable for the pension fund.</p> <p>We have not received any correspondence or objections from local electors, and we have not used any of our wider powers.</p>

# 02

2024/25 Audit Progress



# Audit Progress update

## 2024/25 planning

We have begun our planning procedures for 2024/25, as part of this process we have:

- Considered the current Local Government sector issues and the requirements of the 2024/25 Code of Practice on Local Authority Accounting
- Held a 2023/24 audit de-brief session with the finance team, to reflect on what went well, and what could make the 2024/25 audit more efficient
- Scheduled 2024/25 audit dates

Our audit planning report, called our Audit Strategy Memorandum ('ASM'), aims to set out our plan for the audit of the Council. We will present our Audit Strategy Memorandum to the Governance & Ethics Committee once we have completed planning and risk assessment procedures.

We do not at this stage anticipate any major changes to the scope, risk profile or approach to our audit and there are no significant matters that we need to bring to the Committee's attention ahead of our formal 2024/25 Audit Strategy Memorandum.

# 03

## National Publications



# National publications

This section of our progress report details national publications and technical updates released which may be of interest to committee members and to wider members of the Council’s management team. If you require any additional information, please contact any member of your engagement team.

We have, in the table that follow, provided a brief insight into the purpose/key points of the publications with indicative relevance and/or suggested action using the following RAG rating:

● Action required ● Action suggested ● For information only

	Publication/update	Key points	Action
<b>National Audit Office ('NAO')</b>			
1	NAO insight: Government’s approach to technology suppliers: addressing the challenges	This report examines government’s overall approach to digital and technology suppliers. It sets out lessons for the centre of government and departments to learn from government’s approach to digital procurement.	●
2	NAO insight: Financial management in government: monitoring and forecasting	This guide outlines how finance leaders across government can monitor budgets and their performance and ensure forecasting is effective.	●
3	Maintaining public service facilities	This report examines whether the government plans and manages property maintenance in a way that ensures value for money.	●
4	Managing conflicts of interest: value for money	This report looks at the governance, systems and processes that public bodies have used to manage conflicts of interest.	●
<b>Forvis Mazars</b>			
5	Annual Local Government Risk Report 2025/26	As local authorities continue to grapple with risks exacerbated by financial challenges, the pressure facing the public sector as a whole is becoming more pronounced. The role of internal audit in holding organisations accountable and challenging risk management practices is more crucial than ever as local authorities strive to navigate new risks, including those tied to data, AI, and ongoing recruitment retention crises.	●

# National publications

## NAO

### 1. NAO insight: Government's approach to technology suppliers: addressing the challenges

The effective use of technology suppliers is essential to the success of government's ambitions to improve and digitally transform its services and operations. But repeated delays and cost overruns in digital delivery undermine government's ability to achieve its policy objectives.

Expenditure on digital procurement is significant: at least £14 billion is spent annually. Digital spend in government ranges from the design and implementation of new policy initiatives such as Universal Credit, to maintaining and replacing critical services like the Police National Computer, and the purchase and renewal of commodity items, for example, laptops.

With such an extensive digital estate to develop and maintain, every major operational system, from borders to tax to welfare, depends on the successful performance of its suppliers

This report examines government's overall approach to digital and technology suppliers. It sets out lessons for the centre of government and departments to learn from government's approach to digital procurement.

It focuses on major procurement of technology to support business change, including the digital transformation of government and planning for technology of the future. We refer to these major policy and business change procurements as 'digital programmes' and 'digital procurement' throughout this report. We exclude the more straightforward technology services and commodity items purchased for operational needs. The report examines:

- the scale of the challenge of undertaking digital procurement in a way that supports the modernisation of the public sector to make it more efficient and effective, and government's response to that challenge
- how the centre of government can adopt a more strategic approach to how it works with digital and technology suppliers
- how departments can better understand and manage the complexities of digital procurement, including making full use of their digital expertise

Link: <https://www.nao.org.uk/insights/governments-approach-to-technology-suppliers-addressing-the-challenges/>

### 2. NAO insight: Financial management in government: monitoring and forecasting

This guide is for senior finance leaders in government departments and other public bodies. It sets out insights and good practice on monitoring and forecasting for better financial management in government. It is the fourth in a five-part series of guides, which follow the financial management lifecycle.

Good financial management is critical in the public sector. For public services to be efficient and productive, the effective management of public finances is essential.

This guide outlines how finance leaders across government can monitor budgets and their performance and ensure forecasting is effective.

It focuses on three principles:

- Promote a culture of accountability – leadership emphasises the importance of budget holders being accountable for monitoring financial performance and ensuring forecasts are accurate and realistic.
- Develop the right skills and capabilities – finance professionals possess the skills and capabilities to monitor effectively and forecast with precision and leverage these to elevate the quality of the organisation's decision-making.
- Make the best use of data and information – high-quality data and information is used to enable better monitoring and more accurate forecasting, helping decision-makers respond to events quickly and effectively.

Link: <https://www.nao.org.uk/insights/financial-management-in-government-monitoring-and-forecasting/>

# National publications

## NAO

### 3. Maintaining public service facilities

The government has extensive property holdings, which it uses to deliver services to the public and support its operations. Government property ranges from hospitals to jobcentres, schools, courts, prisons, museums, research facilities, offices and warehouses.

Property maintenance is important so that public sector buildings remain safe, functional and comfortable for public sector employees and the public. Poor property condition can negatively affect the delivery of services to the public, the public sector's productivity and staff retention, and the value of government property.

This report examines whether the government plans and manages property maintenance in a way that ensures value for money.

It covers:

- the importance of property maintenance, how the government manages its property, and the size and composition of the government's maintenance backlog
- the timeliness, completeness and consistency of the government's data on property condition and the backlog
- how the government funds property maintenance and how government organisations use the funding available
- property professionals' capacity and capability

Link: <https://www.nao.org.uk/reports/maintaining-public-service-facilities/>

### 4. Managing conflicts of interest: value for money

Conflicts of interest arise when an individual's ability to apply judgement or act in a role is, or could be perceived to be, impaired or influenced by a secondary or competing interest.

Failure to recognise or mitigate conflicts can damage the reputation of, and undermine confidence in, government operations. It is therefore important that all public bodies have appropriate systems and processes in place to manage conflicts effectively.

Cabinet Office sets the central government guidance on managing conflicts of interest. Departmental bodies (ministerial departments, non-ministerial departments and executive agencies) must have policies that comply with this guidance. Non-departmental public bodies are encouraged to have their own policies.

This report looks at the governance, systems and processes that public bodies have used to manage conflicts of interest. It aims to answer the following questions:

- Is central government guidance effective in supporting public bodies to manage conflicts of interest?
- Do public bodies have effective and proportionate governance, systems and controls over the management of conflicts of interest?
- Have public bodies done enough to set a culture where conflicts are managed properly?

Link: <https://www.nao.org.uk/reports/managing-conflicts-of-interest/>

# National publications

## Forvis Mazars

### 5. Annual Local Government Risk Report 2025/26

Issues and risks facing local authorities in the coming year continue to reflect the challenges seen across the Public Sector more widely. Financial challenges deepen the risks that are highlighted in this report, and the role internal audit plays in challenging organisations on controlling these risks should not be underestimated.

In preparing our most recent risk report, the messages from across the public sector are clear:

- Financial stability remains an issue and local authorities have been struggling to fund and deliver quality service for years
- Local authorities demonstrate inconsistent risk management activities
- The role of data and AI is increasing, and this eposes local authorities to new and different risks

Link: <https://www.forvismazars.com/uk/en/industries/public-social-sector/our-public-and-social-sector-reports/annual-local-government-risk-report-for-2025-26>

# Contact

## Forvis Mazars

### Mark Surridge

Partner

Tel: 07875 974 291

Mark.Surridge@mazars.co.uk

### Bethan Vance

Manager

Tel: 07581 020 016

Bethan.Vance@mazars.co.uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001139861. VAT number: GB 839 8356 73

© Forvis Mazars 2024. All rights reserved.