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Rushcliffe
Borough Council

Our reference:

Your reference:

Date: 28 November 2025

To all Members of the Governance Scrutiny Group

Dear Councillor

AGENDA SUPPLEMENT

Please note the attached documents below for the meeting of the Governance Scrutiny Group to be held on Thursday, 4 December 2025, the agenda for which has already been published.

Yours sincerely

A handwritten signature in black ink that reads 'S. Pregon'.

Sara Pregon
Monitoring Officer

AGENDA

5. Statement of Accounts 2024-2025 (Pages 1 - 12)

A verbal update from Forvis Mazars

Membership

Chairman: Councillor D Simms

Vice-Chairman: Councillor M Gaunt

Councillors: K Chewings, P Gowland, H Om, N Regan, C Thomas, T Wells and G Wheeler

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Private & Confidential

Governance Scrutiny Group
Rushcliffe Borough Council
Rushcliffe Arena
Nottingham
NG2 7YG

Date: 24th November 2025

Dear Members,

Rushcliffe Borough Council – Follow-up Letter to our Audit Completion Report in relation to the audit of the year ended 31st March 2025

As required by International Standards on Auditing (UK and Ireland), we are writing to communicate the conclusion of those matters that were marked as outstanding within the audit completion report which was presented to the Governance Scrutiny Group on 25th September 2025.

This letter also includes:

- Appendix A: summary of misstatements;
- Appendix B: control deficiencies and internal control recommendations;
- Appendix C: audit fees
- Appendix D: final form of audit report

Update on matters previously reported as outstanding

The following matters have now been resolved.

Audit area	Status	Findings
IT General Controls	COMPLETED	Testing is now complete following receipt of responses to requests that were outstanding at the time of issuing our Audit Completion Report.
Income	COMPLETED	Testing is now complete following receipt of responses to requests that were outstanding at the time of issuing our Audit Completion Report.
Debtors	COMPLETED	Testing is now complete following receipt of responses to requests that were outstanding at the time of issuing our Audit Completion Report.
Cash and Bank	COMPLETED	Testing is now complete following receipt of responses to requests that were outstanding at the time of issuing our Audit Completion Report.

Audit area	Status	Findings
Pensions	COMPLETED	We received assurance from the auditor of the Nottinghamshire Pension Fund on the outcome of their work for 2024/25. An understatement of Level 2 assets by £3.2m and Level 3 assets by £5.0m was identified. The Council's share of this is estimated to be around 1.11% or £91k. This has been reported as an unadjusted misstatement – see Appendix A.
Completion procedures	COMPLETED	<p>We have finished our completion work, including quality checks and review. We have received the signed management letter of representation.</p> <p>The final confirmed value of the unadjusted misstatement identified relating to gross cost/valuation of Property, Plant & Equipment, which was included in the Audit Completion Report as TBC at the point of issuing the report is included in Appendix A.</p> <p>In Appendix B, we have also included an additional control recommendation around the approval of journals, as well as management's response. We identified some instances in 2024/25 where journals posted by Sarah Whittaker (Head of Finance) were not reviewed/approved by a second authoriser.</p>
Value for Money (VFM)	COMPLETED	We have issued our final Auditor's Annual Report (AAR) for the year ended 31 March 2025, including commentary and conclusions on our Value for Money work.

Yours faithfully,

Mark Surridge, Partner

Forvis Mazars LLP

Appendix A: Unadjusted misstatements

Description	Nature	Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
<p>Dr: Property, Plant & Equipment – Vehicles, Plant, Furniture & Equipment – Accumulated Depreciation</p> <p>Cr: Property, Plant & Equipment – Vehicles, Plant, Furniture & Equipment – Gross Cost/Valuation</p> <p><i>We identified a number of assets within the Council's fixed asset register which should have been removed as they were no longer in use or had been disposed of.</i></p>	Factual			196	196
<p>Dr: Note 32 – Closing Fair Value of Defined Benefit Pension Scheme Assets</p> <p>Cr: Note 32 – Asset Ceiling Adjustment</p> <p>We received assurance from the auditor of the Nottinghamshire Pension Fund on the outcome of their work for 2024/25. An understatement of Level 2 assets by £3.2m and Level 3 assets by £5.0m. The Council's share of this is estimated to be around 1.11% or £91k.</p>	Estimated			91	91
Aggregate effect of unadjusted misstatements				287	287

Appendix B: Other deficiencies in internal control

Approval of journals posted by the Head of Finance

We identified some instances in 2024/25 where journals above £10k posted by Sarah Whittaker (Head of Finance) were not reviewed/approved by a second authoriser.

Potential effects

Failure to ensure independent review and approval of journals increases the risk of errors or inappropriate entries going undetected. This could lead to inaccurate financial reporting and potential non-compliance with internal control requirements.

Recommendation

Implement a process to ensure all journals, including those posted by senior finance staff, are subject to timely review and approval by an independent authoriser. Consider system-based controls or periodic monitoring to confirm compliance.

Management response

Journals above £10k are ordinarily signed off by the Head of Finance although they are also reviewed by the Senior Finance Business Partner. Due to sickness absence in the team, the Head of Finance had processed and signed off journals relating to capital accounting although they were also reviewed by the Senior Finance Business Partner therefore this represents an independent check. The Head of Finance rarely processes journals, however going forward the Council will ensure that journals above £10k are signed off by a different member of the team than the person processing the journal.

Appendix C: Fees for work as the Authority's appointed auditor

Our fees (exclusive of VAT) as the Authority's appointed for the year ended 31 March 2025 are outlined below. Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit. These are subject to PSAA approval:

Area of work	2023/24 Audit fee	2024-25 Proposed Fee
Code Audit Work	£128,376	£142,471
Fee variations:		
Additional fees in respect of additional work from the introduction of new auditing standards (ISA 315)	£9,410	n/a – included in scale fee
Additional fees in respect of additional work from the introduction of new accounting standards (IFRS 16 Leases)	n/a	£12,006
Additional fees in respect of additional work on journal testing for the control finding and testing of assets fully depreciated and not disposed.	n/a	£2,527
Total	£137,786	£157,004

Appendix D: Final form of the Independent auditor's report to the members of Rushcliffe Borough Council

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Rushcliffe Borough Council ("the Council") for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund Statement and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 31st March 2025 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director (Finance and Corporate Services) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director (Finance and Corporate Services) as the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director (Finance and Corporate Services) for the financial statements

As explained more fully in the Statement of the Director (Finance and Corporate Services)'s Responsibilities, the Director (Finance and Corporate Services) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Director (Finance and Corporate Services) is also responsible for such internal control as the Director (Finance and Corporate Services) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director (Finance and Corporate Services) is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director (Finance and Corporate Services) is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Council, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, procurement regulation, , data protection, corruption and anti-bribery.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- gaining an understanding of the legal and regulatory framework applicable to the Council, the environment in which it operates, and the structure of the Council, and considering the risk of acts by the Council which were contrary to the applicable laws and regulations, including fraud;
- inquiring with management and the Governance Scrutiny Group, as to whether the Council is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- reviewing relevant meeting minutes in the year;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015.

In addition, we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions].

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management, Head of Internal Audit and the Governance Scrutiny Group on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud, rests with both management and the Governance Scrutiny Group.

As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2024) and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in this respect.

Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council 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 Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the members of Rushcliffe Borough Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 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 members of the Council 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 members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by us.

[Signature]

Mark Surridge, Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)

2 Chamberlain Square, Birmingham B3 3AX

[Date]

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