



Auditor's Annual Report **DRAFT**
Rushcliffe Borough Council– year ended 31 March 2024

September 2024

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01

Introduction

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Rushcliffe Borough Council ('the Council') for the year ended 31 March 2024. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We have not yet issued our audit report. At the date of reporting, subject to satisfactory clearance of outstanding items, we expect to issue an unqualified opinion.



Value for Money arrangements

We did not identify any significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Council's arrangements.



Wider reporting responsibilities

At the date of reporting our work on the Council's Whole of Government Accounts return remains incomplete whilst we wait for final instructions from the National Audit Office

02

Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2024 and of its financial performance for the year then ended. We have not yet issued our audit report, but we expect it will give an unqualified opinion on the financial statements for the year ended 31 March 2024.

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in our Audit Completion Report (ACR). In the ACR we also outline the uncorrected misstatements we identified and any internal control recommendations we made, as well as qualitative aspects of the Council's accounting practices. All the detail was published as part of the 19th September 2024 Governance Scrutiny Group papers on the Council's website

Other reporting responsibilities

Reporting responsibility	Outcome
Annual Governance Statement	We did not identify any matters where, in our opinion, the governance statement did not comply with the guidance issued by CIPFA/LASAAC Code of Practice on Local Authority Accounting.
Wider responsibilities	<p>Our powers and responsibilities under the 2014 Act are broad and include the ability to:</p> <ul style="list-style-type: none">• issue a report in the public interest;• make statutory recommendations that must be considered and responded to publicly;• apply to the court for a declaration that an item of account is contrary to law; and• issue an advisory notice under schedule 8 of the 2014 Act. <p>We have not exercised any of these powers as part of our 2023/24 audit.</p>

03

Our work on Value for Money
arrangements

VFM arrangements

Overall Summary



VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria 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.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page 10.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.


We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements** - We make these recommendations for improvement where we have identified a significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations** - We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant but which still require action to be taken.

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	12	No	No	No
 Governance	15	No	No	No
 Improving economy, efficiency and effectiveness	19	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability

Significant weakness in 2022/23	Nil.
Significant weaknesses identified in 2023/24	Nil.

Position brought forward from 2022/23

We reported in our Annual Auditor's Report for 2022/23, that we had:

- Reviewed the 2022/23 financial performance and forecasts during the year and considered the Council's financial outturn position as presented in the financial statements.
- Reviewed the 2023/24 General Fund Budget.
- Reviewed the Council's Annual governance Statement for any significant issues and considered the general findings from our audit work in other areas.

As set out in the table above, there are no indications of a significant weakness in the Council's arrangements for financial sustainability brought forward from 2022/23. The Council's underlying arrangements in relation to financial sustainability are not significantly different in 2023/24.

Overall responsibilities for financial governance

We have reviewed the Council's overall governance framework, including Council and committee reports, the Annual Governance Statement, and Statement of Accounts for 2023/24. These confirm the Council undertook its responsibility to define the strategic aims and objectives, approve budgets and monitor financial performance against budgets and plans to best meet the needs of the Council's service users.

The Council's financial planning and monitoring arrangements

Through our review of Council and committee reports, meetings with Officers and relevant work performed on the financial statements, we are satisfied that the Council's arrangements for budget monitoring remain appropriate, including regular reporting to Members and well-established arrangements for year-end financial reporting.

2023/24 Budget Setting and the Medium-Term Financial Strategy

We considered the 2023/24 budget setting process, including the Medium Term Financial Strategy as part of our work on the 2022/23 review of arrangements, with no significant concerns arising. The budget for 2023/24 and updated medium term financial strategy to 2027/28 went to Cabinet in February 2023. The MTFs sets out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. The MTFs integrates revenue allocations, savings targets and capital investment and provides the budget for the next financial year and

provides indicative budgets and future council tax and housing rent levels for the period covered by the strategy. We read the report to the March 2023 full council meeting as evidence of adequate arrangements in place for budget setting and management in reflection of changes.

We were satisfied that the Budget Report for 2023/24 adequately explains revenue and capital budgets, with a sufficient link to specific business units, as well as an explanation on the impact to the general fund balance.

2023/24 Financial Statement performance

The Council reported its financial outturn position in the 2023/24 Statement of Accounts and in the financial outturn report presented to Cabinet in July 2024, which highlighted an overall revenue efficiency position of £1.663m, and an underspend on the capital programme of £5.710m. The £1.663m is allocated for significant risks for 2024/25 onwards including biodiversity net gain, replacement finance and income management systems and housing benefit rent increases and for service demand such as Homes for Ukraine and Safer Streets. The capital underspend is largely being carried forward for the completion of existing projects.

There is no indication that the Council's Medium Term Financial Strategy and budget setting process is not aligned to supporting plans given the Council has a track record of delivering against budget.

In 2023/24, the Council spent £4.4m on capital additions per Note 8 of the financial statements. Our testing of these balances did not identify any concerns. Furthermore, there is no indication of excessive use of capital flexibilities to support revenue expenditure, nor has our work on the financial statements highlighted any concerns regarding the Council's policy for setting the Minimum Revenue Provision.

We have carried out a high-level analysis of the audited financial statements, including the Comprehensive Income and Expenditure Statement, the Balance Sheet and Movement in Reserves Statement. The Council's balance sheet position does not highlight any concerns. The Council's useable reserves have increased from £23.5m in 2022/23 to £27.1m in 2023/24, with:

- General Fund Reserves of £2.6m, no change from the prior year
- Earmarked General Fund Reserves of £20.9m, up from £19.7m in 2022/23
- Capital Receipts Reserve of £3.4m, up from £1.1m in 2022/23
- Capital Grants Reserves of £98k, down from £154k in 2022/23.

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability - continued

The Council's reserves position does not indicate a risk of significant weakness in VFM arrangements for financial sustainability and provides some mitigation against future financial challenges and will assist in addressing future volatility and support savings and efficiencies plans. The Council will need to continue to ensure that any use of reserves to smooth the financial position over the next few years is properly planned and the use of reserves cannot be relied on to provide a long-term solution to funding gaps.

Local Government Pension Scheme (LGPS)

Based on the Council's draft financial statements we noticed the following movements in respect of their share of the LGPS:

- Fair value of employer assets increased by £5.7m from £73m (2022/23) to £78.7m (2023/23); and
- The Present value of funded liabilities increased by £384k from £89.2m (2022/23) to £89.6m (2023/24).

Significant reduction in the net pension liability is consistent with what we are seeing across the sector and does not indicate any significant weakness in the Council's arrangements.

Arrangements for the identification, management and monitoring of funding gaps and savings

For the 2023/24 General Fund budget, the Council set a balanced budget which relied on a savings target aimed at delivering efficiency savings and cuts against services totalling £622k.

We reviewed the Revenue And Capital Outturn Position for 2023/24 provided to Cabinet on 9th July 2024. The report confirms a £1.663m favourable variance against budget resulting in appropriation to reserves for future service demand.

The level of general fund reserves and ongoing budgetary control arrangements has led us to believe satisfactory arrangements are in place. We do, however, see it as an area to be challenged by officers and members to ensure appropriate action is taken to maintain service levels under increasing cost pressures beyond 2023/24.

2024/25 Budget Setting and the Medium-Term Financial Strategy

We reviewed the Medium Term Financial Strategy (MTFS) set from 2024/25 to 2028/29 and confirmed it supports the Council's priorities communicated in its Corporate Strategy. The budget for 2024/25 and updated medium term financial strategy to 2028/29 was approved at Full Council in March 2024. The MTFS sets out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. The MTFS integrates revenue allocations, savings targets and capital investment and provides the budget for the next financial year and

provides indicative budgets and future council tax levels for the period covered by the strategy. The MTFS adequately identifies the financial implications from 2024 to 2029 noting that the key assumptions underpinning expenditure budgets through the MTFS included CPI, pay increases of 2-5% annually, pension contribution rates, return on cash investments and an increase of around 2% to the Council Tax base.

To keep the General Fund working balance minimum level for 2024/25, 2025/26, and 2026/27 additional transformation savings or income generation are required of £1.357m

We are satisfied that based on the information presented to Cabinet, the Council will have adequate levels of General Fund working balances across the medium term to prevent a significant risk to the Council's financial sustainability.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability for the year ended 31 March 2024.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



VFM arrangements – Governance

Overall commentary on Governance

Significant weakness in 2022/23	Nil.
Significant weaknesses identified in 2023/24	Nil.

Position brought forward from 2022/23

As set out in the table above, there are no indications of a significant weakness in the Council's arrangements for financial sustainability brought forward from the previous year.

The Authority's governance structure

The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of effectiveness, economy and efficiency. In doing this it is responsible for putting in place proper arrangements for the governance of its affairs, effective exercise of its functions and arrangements for the management of risk.

Based on our work, we are satisfied that the Council has established governance arrangements, consistent with previous years, in place. These are detailed in the Statement of Accounts and Annual Governance Statement. We have considered both documents against our understanding of the Council as part of our audit.

Our review of corporate governance arrangements confirms the Council has an agreed Constitution, setting out how it operates, how decisions are reached and what procedures are followed to ensure that these are transparent and accountable to local people. Any recommendations for amendments to the Constitution need to be approved by Full Council.

Our review of Council and Group papers confirms that a template covering report is used for all reports, ensuring the purpose, implications, and recommendations are clear. Minutes are published and reviewed by Committees to evidence the matters discussed, challenge and decisions made

Risk management and internal control

The Council has an established risk management strategy and systems in place which are built into the governance structure of the organisation. There is an approved Risk Management Strategy which includes the Council's approach to managing risk, guidance, the Council's risk appetite and roles and responsibilities.

The Governance Scrutiny Group (GSG) is responsible for maintaining an independent oversight of risk management issues and considering the effectiveness of the implementation of the risk management strategy. The GSG is presented with the risk register on a regular basis and provides challenge as part of the process. These arrangements are consistent with what we would expect at a local authority and are adequate

for the Council's purposes.

The Annual Governance Statement is a critical component of the Council's governance arrangements. It is an evidenced self assessment by the Council on the Council's governance, assurance and internal control frameworks for the financial year. The Governance Scrutiny Group are responsible for review of the Council's Annual Governance Statement. No significant weaknesses in internal control have been identified from our work to date and Internal Audit has not identified or raised any significant concerns. We reviewed the Annual Governance Statement as part of our work on the financial statements with no significant issues arising.

Internal Audit

To provide assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud, the Council has an out of house Internal Audit function (provided by BDO). The annual Internal Audit plan is agreed with management at the start of the financial year and is reviewed by Governance Scrutiny Group prior to final approval. The audit plan is based on an assessment of risks the Council faces and is designed to ensure there is assurance on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The planned work can be supplemented if necessary by ad hoc reviews in respect of suspected irregularities and other work commissioned by Officers and Members of the Council where relevant to respond to emerging risks and issues. We have reviewed the Internal Audit plans for 2023/24 and 2024/25 and confirmed they are consistent with the risk based approach.

Internal Audit progress reports are regularly presented to the Governance Scrutiny Group meeting including follow up reporting on recommendations from previous Internal Audit reports. From our attendance at meetings, we are satisfied this allows the Group to effectively hold management to account. At the end of each financial year the Head of Internal Audit provides an Annual Report including an opinion, based on the work completed during the year, on the overall adequacy and effectiveness of the council's control environment. The Annual internal audit report provides a summary of Internal Audit work undertaken during 2023/24 and provides an opinion on the organisation's governance, risk management and internal control environment. Overall, they were able to provide Substantial Assurance that there is a sound system of internal controls, designed to meet the Council's objectives, that controls are being applied consistently across various services. In comparison to 2022/23, there has been a decrease in the number of both low level and medium findings.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

We also confirmed that the Head of Internal Audit Opinion has been adequately reflected in the Annual Governance Statement. No issues arose from our review to indicate there is a significant weakness in the Council's arrangements for governance

Governance Scrutiny Group

The Council has an established Governance Scrutiny Group that incorporates the functions of an Audit Committee. We have confirmed the Committee meets regularly and reviews its programme of work to maintain focus on key aspects of governance and internal control.

We have attended Governance Scrutiny Group meetings and reviewed supporting documents and are satisfied that the programme of work is appropriate for the Council's requirements. Our attendance at Governance Scrutiny Group has confirmed there continues to be an appropriate level of effective challenge.

Key observation: recommended practice is for local authorities to have an Audit Committee and not confuse responsibilities with scrutiny. Whereas Scrutiny is concerned with the review of policy, its formulation and implementation, audit operates to ensure that the governance and risk environment within the Council is effective and that financial management is fit for purpose. Proposals from the Redmond Review recommended independent members on Audit Committees to ensure membership included an adequate level of skill and experience to be able to challenge the complexities of local government finance and governance. This is something the Council may wish to consider for 2025.

Arrangements for budget setting and budgetary control

The Council has an established set of arrangements in place for budget setting and control. The process is set out and approved through the Constitution, which encompasses the budget setting rules and financial procedures. We have reviewed the budget setting arrangements through observation and discussions with Officers and no matters have been identified indicating a significant weakness in arrangements.

The framework includes:

- Clear responsibilities, including the role of the Cabinet and drawing up initial proposals; the Overview and Governance Scrutiny Group providing consultation; and the Council in making the final decision on whether to adopt the proposals.
- Close working between the finance team and with external advisors and neighbouring councils to agree the key budget assumptions, which are challenged and agreed through the budget review process by Management, Governance Scrutiny Group and Council.

We read the assumptions underpinning the Medium-Term Financial Strategy (MTFS) as included in reports to the Cabinet. In our view, these include an adequate level of detail over the assumptions and cost pressures facing the council, which are consistent with our experience at similar sized authorities and not unreasonable. In addition, there is sufficient narrative to explain the rationale and key financial risks.

Over the duration of the MTFS, the general fund shows a planned consistent balance of £2.604m, every year to 2028/29. Proposals to achieve this outcome are laid out in the report and include the need to deliver additional transformation plan savings totalling £1.738m across the 5 years, with a target of £733k for 2024/25, as well as a need to draw on reserves from 2025/26. The use of general fund and earmarked reserves to support the revenue budget are not significant, at an estimated £526k in 2025/26, and is currently estimated to be for one year.

Following approval of the budget, budget monitoring commences to monitor progress against targets. Budget monitoring responsibilities of budget holders are documented and they are supported in this role by the finance team. Budget monitoring reports are produced and there are regular meetings held, including finance team members, to discuss the financial performance and forecasts. There are rules in place regarding the reporting of budget variances and budget changes. There are similar processes and controls in place for development and control of the capital programme alongside the revenue budget setting. The Treasury Strategy reports are approved at the same time as the revenue budgets and monitored and reported on throughout the year.

We have reviewed minutes of meetings and the year end financial outturn reports presented to the Cabinet during the year as well as the narrative statement to the financial statements. In addition, we have reviewed capital expenditure as presented in the financial statements with no issues arising from our testing of additions.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

We also reviewed the capital programme as included within the Council's 2024/25 approved MTFs, noting that the consolidated Capital Programme for the next three years from 2023/24 to 2026/27 is funded predominantly from capital receipts, capital grants and contributions, with no requirement to borrow. We have held regular discussions with officers regarding arrangements for the management and funding of capital programme, and noted no issues.

	2024/25	2025/26	2026/27
Total capital programme (£'000)	11,079	8,196	2,005
Funded by:			
Usable Capital Receipts	2,989	5,999	292
Government Grants	2,745	695	695
Use of Reserves	2,053	680	1,018
Section 106 monies	3,292	822	0
Borrowing	0	0	0
Total funding	11,079	8,196	2,005

S106 planning agreements

The accounts include £46.006m for S106 contributions not yet recognised as income due to conditions not yet being met. £210,037 of contributions are currently unallocated with a repayment clause within the next 12 months. We discussed the Council's process which is to write to the organisations who requested the contribution, as well as contacting beneficiaries where a contribution is nearing an expiry date, to encourage project submission. They also have frequent updates with the County Council (as one of the major beneficiaries) to establish any priorities for project submission/funding release. They have made no repayments to developers due to expiry periods on contributions.

Pooled investments

In 2018, a Statutory Override on IFRS9 was introduced to allow local authorities to move the impact of gains and losses on pooled investment funds into an unusable reserve rather than impact the general fund. The Override was initially due to end in March 2023, but this was extended to March 2025. The table below sets out the Council's balance sheet position over the past three years

£'000	21/22	22/23	23/24
Fair value of investments	15,222	13,766	14,038
Pooled funds adjustment account (unusable reserve)	223	-1,235	-961
General fund balance	2,604	2,604	2,604
Earmarked Revenue Reserves	23,575	19,673	20,947

Whilst the council has made a commitment to hold these funds over the long-term, as seen by the below, they have fallen in value by £1.082m. Had the override ended when originally intended (31 March 2023), the Council would have had to build in the recovery of this unusable reserve in 2023/24, via the General Fund or by re-purposing Earmarked Reserves. The extent of financial risk associated with current and future investments needs to be monitored, and alongside updates to the capital financing regime and Minimum Revenue Provision, we would encourage the Governance Scrutiny Group to seek assurance and ensure it understands the relevance and potential impact to the Council. We are aware that the Council are monitoring the risks closely, and have provided regular updates to the group, through their treasury management updates.

	18/19	19/20	20/21	21/22	22/23	23/24	Total
Net gain/ loss on pooled investments	0.024m	-1.238m	1.143m	0.173m	-1.457m	£0.273m	-1.082m
Treasury Capital Depreciation Reserve balance	-	-	-	-	0.973m	1.173m	

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Through our discussions with the council, we understand the accounts include a Treasury Capital Depreciation Reserve, to provide funding to reduce the impact on the general fund from reductions in the capital value of treasury investments. The additions to this reserve in year are £200k. The current net loss on value of the pooled investments is £1.1m and this will be crystallised if the Council redeem their investment whilst they are holding a fair value loss. They have therefore appropriated funds into a reserve to mitigate the risk of the capital loss against the general fund. From the work performed on the financial statements, we considered the Council's pooled investment funds and how an earmarked reserve of £1.2m has been set aside to go towards mitigating the current loss in value of these investments. We are satisfied this does not present a risk of significant weakness in arrangements.

Overall, we have not identified any indicators of a significant weakness in the Council's arrangements relating to the Governance criteria for the year ended 31 March 2024.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness

Significant weakness in 2022/23	Nil.
Significant weaknesses identified in 2023/24	Nil.

Position brought forward from 2022/23

As set out in the table above, there are no indications of a significant weakness in the Council's arrangements brought forward from the prior year.

Performance Monitoring

The Council's arrangements are consistent with the prior year, which were deemed adequate, with the Council's Corporate Strategy setting out what it wants to achieve for local residents and communities and is published on its website. The Council's overall financial objectives and strategy are documented in the Council's budget and Medium-Term Financial Strategy which is reviewed and updated annually.

Our review of minutes and reports confirms Members receive regular reporting on performance measures. We reviewed the performance outcome for 2023/24 as evidence of the Council's approach to evaluating performance. In our view, reports contain sufficient narrative, including the appendices, to demonstrate that there are adequate arrangements to assess performance and identify areas for action.

Procurement

Through our work on the financial statements, our testing of expenditure, and consideration of key financial controls, has not identified any issues relating to procurement.

The Council has a Procurement Strategy and set of Contract Procurement Rules which outlines how the procurement of goods, works and services is achieved. These documents take into account latest legislative and operational changes at the Council, and provide a corporate framework for the procurement of goods, works and services. There are also controls in place designed to ensure that all procurement activity is conducted with openness, honesty and accountability.

Our work on the financial statements has not identified any significant internal control deficiencies.

Partnerships

The Council has put in place strong governance arrangements around the major leisure services, garage services, and car parking contracts. It has also entered into a partnership to improve resilience surrounding

procurement advice working with Nottinghamshire County Council. Work continues with regards to the Freeport with the Leader of the Council sitting on the Board for the Freeport.

Ratcliffe on Soar Power Station is due to be decommissioned by 2025. This could have a significant impact on the Borough both financially (loss of business rates) and with the potential to have a very large derelict site at the entrance to the Borough from the A453. The role of the Freeport is critical with regards to this key gateway into the Borough. The East Midlands Freeport was approved by the Government on 30 March 2023. It will receive up to £25million in seed funding from the government to help drive investment in local businesses. The Freeport presents great opportunities for a world-class green and blue environmental investment programme with research and development in climate change and zero carbon technology and will enable employment opportunities and infrastructure investment.

The Chief Executive of the Council is a Director of the Development Corporation (DevCo) an interim vehicle to help deliver development of the power station site. The Council has committed £0.5m (an earmarked reserve) to support the Development Corporation with contributions from North West Leicestershire, Broxtowe Leicestershire and Nottinghamshire councils. The Leader sits on the Oversight Authority.

The Council is involved in the Devolution Deal proposals with other Derbyshire and Nottinghamshire authorities. With the East Midlands Mayor now in situ, from May 2024. Current proposals would still mean Rushcliffe as a Borough will retain its sovereignty, although there is a clear direction of travel for Councils to work more collaboratively for the benefit of their local communities.

We do not consider these to be significant in relation to our VFM commentary.

Overall, we have not identified any indicators of a significant weakness in the Council's arrangements relating to the Improving Economy, Efficiency and Effectiveness criteria for the year ended 31 March 2024.

Other reporting responsibilities and our fees

Other reporting responsibilities and our fees

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. As at the date of writing, instructions regarding sampled components have not yet been received.

Other reporting responsibilities and our fees

Fees for our work as the Council's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Governance Scrutiny Group in May 2024. Having completed our work for the 2023/24 financial year, we can confirm that our fees are as follows:

Area of work	2023/24 fees	2022/23 fees
Planned fee in respect of our work under the Code of Audit Practice	128,376	40,626
Additional fees in respect of additional work from the introduction of new auditing standards (ISA 540 estimates)	Included in the scale fee	2,887
Additional fees in respect of additional work from the introduction of new auditing standards (ISA 315)	9,410	5,700
Other additional testing –additional testing arising from Streetwise insourcing	N/A	1,000
Additional fees in respect of the VFM Commentary	Included in scale fee	6,000
Total fees	137,786	56,213

Fees for other work

We confirm that we have not undertaken any non-audit services for the Council in the year.

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