



Governance Scrutiny Group

Thursday, 25 September 2025

Audit Completion Report 2024/25

Report of the Director – Finance and Corporate Services

1. Purpose of report

- 1.1. This report presents the attached Audit Completion Report (Appendix 1) and Draft Management Representation Letter (Appendix 2). This document reports to those charged with Governance the key conclusions in the audit process for the 2024/25 financial year and comments upon the Statement of Accounts and their quality.
- 1.2. Forvis Mazars have substantially completed the audit in respect of the financial statements for the year ended 31 March 2025. The draft Annual Audit Report and Value for Money conclusion will be presented to this group at its November meeting. Matters which remain outstanding are outlined in section two of the Audit Completion Report although these are not expected to require modification of the audit opinion. Forvis Mazars will provide a verbal update in relation to these at the scrutiny meeting and where necessary by a follow up letter to this Group.

2. Recommendation

It is RECOMMENDED that the Governance Scrutiny Group:

- a) Approve the findings of Forvis Mazars Audit Completion Report **(Appendix 1)**
- b) Approve the Draft Management Representation Letter **(Appendix 2)**.

3. Reasons for Recommendation

- 3.1. To ensure that due regard has been given to issues and concerns raised by the Council's external auditors; and to demonstrate compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ('the Code') and primarily the Accounts and Audit Regulations (2015).

4. Supporting Information

- 4.1. The Audit Completion Report is attached at Appendix 1, the Management Representation Letter at Appendix 2.

- 4.2. Section 4 details significant findings and risks addressed. High-risk areas for this audit were: management override of controls due to risk of fraud, land and buildings due to the complexity of valuation and number of assumptions and judgements, IFRS16 a newly applicable accounting standard for 2024/25 and pensions valuations due to the high degree of estimation and uncertainty. Page 22 details the adjusted misstatements relating to findings during the audit and page 23 details minor disclosure misstatements. These have been corrected in the final Statement of Accounts. Forvis Mazars have not identified any other significant issues during the audit.
- 4.3. Section 5 (detailed in Appendix A pages 29-31 of the Audit Completion Report) covers internal control deficiencies identified during the audit. In some cases, fully depreciated assets were still in use and some that had reached the end of their useful lives were still in the asset register. The Council does not consider this to be a concern as it is not unusual for assets to exceed their useful lives and if assets can be repaired rather than replaced, this can be beneficial to the capital programme. Forvis Mazars have not identified any significant deficiencies in the Council's internal controls.
- 4.4. Section 6 (page 22) of the Audit Completion Report identifies two unadjusted misstatements identified by Forvis Mazars during the course of the audit. These misstatement amount to £0.505m and relates to the implementation of the new IFRS16 leasing standard. The majority (£0.477m) pertains to a duplicate investment property that should have been removed from the balance sheet as it was included within the lease liabilities prior to being recognised under IFRS16. The remaining balance relates to the calculation of future lease payment calculations. 2024/25 marks the first year of adopting the new standard, key learning points have been taken and will be applied going forward.
- 4.5. Section 8 of the report refers to the Value for Money process. Forvis Mazars are currently carrying their work in respect of the Council's arrangements for the year ended 31 March 2025. They have not identified any significant weaknesses in arrangements at this stage. Commentary will be provided in the Annual Audit Report in November 2025.
- 4.6. The Council thanks Forvis Mazars for their work in completing the audit this far. Whilst the sector continues to experience challenges the Council is up to date with its audit sign-off.
- 4.7. Appendix 2 details the Draft Management Representation letter. This letter confirms for the auditors that the Council is satisfied with the validity of the financial statements provided by the Council to Forvis Mazars. If agreed, this letter will be signed at the conclusion of the meeting.

5. Risks and Uncertainties

- 5.1. There are no issues arising from this report.

6. Implications

6.1. Financial Implications

The fees for the audit of the Statement of Accounts are covered by existing budgets.

6.2. Legal Implications

There are no legal implications arising from the recommendations of this report.

6.3. Equalities Implications

There are no equalities implications connected to the recommendations of this report.

6.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no Section 17 implications connected to the recommendations of this report.

6.5. Biodiversity Net Gain Implications

There are no Biodiversity Net Gain implications connected to the recommendations of this report.

7. Link to Corporate Priorities

The Environment	The Council's financial statements and financial information impacts upon all Council Corporate Priorities.
Quality of Life	
Efficient Services	
Sustainable Growth	

8. Recommendations

It is RECOMMENDED that the Governance Scrutiny Group:

- a) Approve the findings of Forvis Mazars Audit Completion Report **(Appendix 1)**
- b) Approve the Draft Management Representation Letter **(Appendix 2)**.

For more information contact:	Peter Linfield Executive Manager - Finance and Corporate Services Tel: 0115 9148439 plinfield@rushcliffe.gov.uk
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Background papers available for Inspection:	Statement of Accounts 2024/25
List of appendices:	Appendix 1 – Forvis Mazars Audit Completion Report 2024/25 Appendix 2 – The Draft Management Representation Letter 2024/25