

## Gedling Borough Council

### Internal Audit Progress Report - Draft

December 2025



# Summary of 2025/26 work

## Internal Audit

This report is intended to inform the Audit Committee of progress made against the 2025/26 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Global Internal Audit Standards in the UK Public Sector. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

## Internal audit methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no' opinion. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.



## Internal audit plan 2025/26

We are making good progress in the delivery of the audit plan with 75% of audit reviews either finalised or in the fieldwork phase.

We are pleased to present the following reports to this Audit Committee meeting:

- ▶ Main Financial Systems - this is a confidential report.

Fieldwork is in progress in respect of the following audits:

- ▶ Asset Management - Commercial Assets
- ▶ Asset Management - Residential Assets
- ▶ Cyber Security.

We anticipate presenting these reports at future Audit Committee meetings.

## Review of 2025/26 work

AUDIT	AUDIT COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Risk Management	September 2025	✓	✓	✓	S	M
Main Financial Systems (Fraud)	December 2025	✓	✓	✓	Confidential	
Asset Management - Commercial Assets	March 2026	✓	✓			
Asset Management - Residential Assets	March 2026	✓	✓			
Freedom of Information Requests and Complaints	June 2026	✓				
Corporate Governance	June 2026	✓				
People Services	September 2025	✓	✓	✓	L	M
Cyber Security	March 2026	✓	✓			

## Sector update

Our quarterly Local Government briefing summarises recent publications and emerging issues relevant to local authority providers that may be of interest to your organisation. It is intended to provide a snapshot of current issues for Elected Members and Executive Directors.

### MAYORS TO LEAD THE CHARGE FOR THOUSANDS OF NEW SOCIAL HOMES

*Mayors outside of London will be given more influence over the delivery of the Social and Affordable Housing Programme in their areas.*

On 6 November 2025, the Government announced that Mayors outside of London will be given greater influence over the government's historic £39bn Social and Affordable Houses Programme as part of its drive to increase the provision of social and affordable housing. This programme is expected to provide funds to build around 180,000 homes across England (outside of London and Greater London), with at least 60% of these being social rent homes.

The Housing Secretary has said "We're also backing councils to build again and transform derelict sites into thriving neighbourhoods, urging them to go big, go bold and go build. For the first time Mayors, working jointly with Homes England, will shape the course of action for new affordable housing money in their regions, setting out ambitious plans for the types of homes that get built, sites prioritised for construction and how many suitable bids for grant funding could come forward in each area".

This funding investment has been welcomed by the Chief Executives of Homes England and the National Housing Federation, allowing local leaders to shape the social and affordable housing provision in their communities.

This investment will target areas across the North of England and in the West Midlands.

Mayors to lead the charge for thousands of new social homes - GOV.UK

### FOR INFORMATION

For the Audit Committee Members and Executive Directors

### EAST MIDLANDS MAYOR ANNOUNCES THE 10-YEAR GROWTH STRATEGY

*The Mayor of the East Midlands Combined Authority has unveiled the 10-year strategy for jobs and growth across Nottingham, Nottinghamshire, Derby and Derbyshire.*

The Mayor of the East Midlands Combined Authority launch the East Midlands Growth Plan 2025-35 on 13 October 2025 to set out a long-term vision for growth across the region.

The Mayor of the East Midlands, Claire Ward, while unveiling the plan has said "For the first time, we have a growth plan that is backed by the region and puts us in pole position to succeed. This plan is about unlocking growth while tackling inequality, creating better jobs, fairer pay, and new opportunities in every community. By working with business, government, and local partners, we can build a stronger, more inclusive economy that delivers for everyone".

The strategy establishes a range of targets to be achieved across the region, as well as proposing various projects to increase jobs and promote investment into the Midlands, including major development opportunities across the Trent Arc (which will include the Ratcliffe-on-Soar power station) and the investment in the Supercluster project to create clean energy.

The key objectives and success measures of the East Midlands Growth Plan 2025-35 are:

- ▶ Adding £13bn into the regional economy
- ▶ Supporting 60,000 people into work over the decade
- ▶ Build more than 100,000 new affordable quality homes
- ▶ Enabling 210,000 more people with skilled qualifications



- ▶ £2bn of investment into transforming transport infrastructure, including cycling routes, buses and rail
- ▶ Supporting key industries such as clean energy, advanced manufacturing, digital and the visitor economy.

#### Mayor unveils 10-year strategy for jobs and growth - East Midlands Combined County Authority

##### FOR INFORMATION

For the Audit Committee Members and Executive Directors

#### **Professional body for monitoring officers to be launched this month**

*A new professional body for monitoring officers will be launched in November 2025 to add to the existing bodies for chief executives and chief finance officers.*

The role of a monitoring officer is a statutory role for all local authorities. However, at present, unlike other statutory roles (chief executive and chief finance officer) it does not have a professional body to represent those in this role.

The Lawyers in Local Government (LLG) will create a professional body focusing solely on monitoring officers in the sector to provide guidance to those in the role and to create a support network for monitoring officers, for professional development and resources.

This professional body is expected to give monitoring officers a stronger voice and increase resilience of the function, particularly to navigate the challenges posed by local government reform.

#### Professional body for monitoring officers to be launched this month - The MJ

##### FOR INFORMATION

For the Audit Committee Members and Executive Directors

#### **NOTTINGHAMSHIRE COUNTY COUNCIL BACKS MERGER OF TWO BOROUGHES AND CITY COUNCIL**

*Plans to create a new local authority made up of the areas currently covered by Nottingham City Council and neighbouring Gedling and Broxtowe have been backed by county councillors.*

The English Devolution White Paper was published on 16 December 2024 and announced a reform of local government, changing the existing two-tier structure of local authorities by creating fewer but larger councils.

Councils in Nottinghamshire have a deadline of 28 November 2025 to submit its proposals to the Government for how the new authorities will be set up in the county. Ministers are expected to reach a decision on the future council structure in Nottinghamshire in March 2026, with the implementation of the new structure in 2028.







Councillors in Nottinghamshire County Council voted in favour of option 1b to be presented to the Government. This option would result in a merger between Nottingham City Council, Gedling Borough Council and Broxtowe Borough Council, with the other councils in the county (including Rushcliffe Borough Council) merging to create a separate unitary authority.

#### Councillors back merger of two boroughs and city - BBC News

##### FOR INFORMATION





For the Audit Committee Members and Executive Directors

## Key performance indicators




QUALITY ASSURANCE	KPI	RAG RATING
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings attended including Audit Committee meetings, pre-meetings, individual audit meetings and contract reviews have been attended by either the Engagement Partner or the Engagement Manager.	
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO was found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards	
Quality of work	We received two responses to our audit satisfaction surveys for 2024/25 reviews, with an average score of 4.3/5 for the overall audit experience and for the value added from our work. So far, we have not received any survey responses in 2025/25 which is significantly lower than we would expect but we will continue to issue survey requests with the final version of each report.	  
Completion of audit plan	We have progressed the 2025/26 Internal Audit Plan, with one report presented to this Audit Committee meeting and other audits in the fieldwork or planning phase. We have commenced and completed a significant amount of the fieldwork in other review.	

# Appendix 1

## OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
<b>Substantial</b> 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
<b>Moderate</b> 	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
<b>Limited</b> 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
<b>No</b> 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

## RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE	
<b>High</b> 	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
<b>Medium</b> 	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
<b>Low</b> 	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

## FOR MORE INFORMATION:

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