

Report to Audit Committee

Subject: Mazars – External Audit progress Report 2025/26

Date: 23 February 2026

Author: Chief Finance and Section 151 Officer

1 Purpose of Report

To inform Members of the progress from Mazars' (the Council's external auditors) audit work in respect of 2025/26 Statement of Accounts.

Recommendation:

THAT:

- 1) Members note the Progress Report for 2025/26.

2 Background

- 2.1 It is a requirement that the Council's financial statements are audited on an annual basis and that in addition the auditors undertake all work necessary to support their conclusion on value for money (VFM).
- 2.2 Mazars are appointed to audit the financial statements of the Council in accordance with International Accounting standards, and under normal circumstances to form and express an opinion on whether the financial statements present a true and fair view on the Council's financial position and standing for 2025/26.
- 2.3 The introduction of the Government's measures to deal with audit backlogs (the backstop arrangements) requires The Council to publish its financial statements on or before 31 January 2027, in addition Mazars are required to provide their audit report on the 2026/27 financial statements.
- 2.4 The Council were subject to a significant fraud committed by an employee during the 2021/22 financial year. An internal audit review exposed a number of

weaknesses in the internal controls within the main financial system, and internal processes.

- 2.5 Whilst the Council has been working to address these weaknesses and reduce the risks, Mazars will need to undertake work to re-build the reassurance that resulted from the Fraud and identified from the audit reviews.

3 Progress

- 3.1 Mazars confirmed through its 2024/25 value for money work that the significant weakness in financial reporting no longer exists however they still need to establish the reassurance over historic ledger transactions. However, this is proving difficult as control testing is usually at a point in time, and copies of the historic ledger at the point the fraud was identified no longer exists.
- 3.2 Mazars are currently considering proposal to determine how this can be achieved, details are set out in the attached Appendix.

4 Financial Implications

- 4.1 There are no financial implications directly arising from this report.

5 Legal Implications

- 5.1 Under section 4 of the Local Audit and Accountability Act 2014, the Council's accounts must be audited by an auditor appointed under the Act. Public Sector Audit Appointments (PSAA) has appointed Mazars for a period of six years commencing 1 April 2018 to act as Gedling Borough Council's external auditor. The general duties of the external auditor are specified in section 20 of the 2014 Act, requiring them to be satisfied in auditing the accounts that:

- The accounts comply with the requirements of the enactments that apply to them.
- Proper practices have been observed in the preparation of the Statement of Accounts, and that the statement presents a true and fair view.
- The authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

When the auditor has completed the audit of the accounts, they must enter onto the Statement of Accounts:

- An auditor's opinion on the statement.
- A certificate that the audit has been completed in accordance with the 2014 Act.

In carrying out their functions the auditor must comply with the Code of Audit Practice and have regard to guidance issued by the Comptroller and Auditor

General under the Act. The Code of Audit Practice 2020 requires the auditor to produce an annual report which brings together all of the auditor's work over the year and present it to those charged with governance. The auditor's annual report should be published no later than 30 September, but where the auditor is unable to do this, they should issue an audit letter including a statement explaining the reason for the delay.

6 Equalities Implications

6.1 There are no equalities implications directly arising from this report

7 Carbon Reduction/Environmental Sustainability Implications

7.1 There are no carbon reduction/environmental sustainability implications arising from this report.

8 Appendices

Appendix 1 External Audit Progress Report

Statutory officer Approval:

Approved by: Chief Finance Officer

Date: 11.06.26

Approved by: Monitoring Officer

Date: 11.06.26