



[Draft] Auditor's Annual Report
Gedling Borough Council
Year ended 31 March 2026

October 2026

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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 Gedling Borough Council ('the Council') for the year ended 31 March 2026. 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 Local Audit and Accountability Act 2014 and 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 issued our audit report for the year ended 31 March 2026 on [TBC]. Our audit report included a disclaimer of opinion. This means that our audit report did not express an opinion on the financial statements and no assurance was provided. We were unable to complete the audit procedures necessary to obtain sufficient appropriate audit evidence on which to base our opinion before the date the Council published its audited financial statements.



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.



Reporting to the group auditor

In line with group audit instructions issued by the NAO, we have undertaken work on the Council's Whole of Government Accounts (WGA) return in line with their instructions. We have been unable to conclude our work as we have not yet received confirmation from the NAO that the group audit of the WGA has been completed and that no further work is required to be completed by us.

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 (UK) (“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 2026 and of its financial performance for the year then ended. We issued our audit report for the year ended 31 March 2026 on [TBC]. Our audit report included a disclaimer of opinion. This means that our audit report did not express an opinion on the financial statements and no assurance was provided.

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 Appendix A. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.

Other reporting responsibilities

Reporting responsibility	Outcome
Narrative Report	We did not identify any significant inconsistencies between the content of the Narrative Report and our knowledge of the Council.
Annual Governance Statement	We did not identify any matters where, in our opinion, the Governance Statement did not comply with the Delivering Good Governance in Local Government: addendum guidance issued by CIPFA/Solace. We also did not identify any matters where, in our opinion, the Governance Statement is misleading or is not consistent with our knowledge of the Council and other information of which we are aware from our audit of the financial statements.

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.

VFM arrangements – Overall summary

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 throughout 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	Yes – see commentary on pages 13 and 15
 Governance	17	No	No	No
 Improving economy, efficiency and effectiveness	20	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 the Financial Sustainability reporting criteria

We did not identify a significant weakness in the Council's arrangements in the prior year.

Overall responsibilities for financial governance

We reviewed the Council's arrangements for financial governance through its Constitution and Financial Regulations, budget and performance monitoring reports, the 2025/26 outturn, the draft 2025/26 Annual Governance Statement, and the 2026/27 revenue, capital and treasury management reports.

The governance framework assigns responsibilities across Full Council, Cabinet, the Audit Committee, senior management and the statutory officers. Full Council is responsible for approving the budget, Council Tax, capital programme, treasury management strategy and associated prudential indicators. Cabinet oversees the delivery of the approved budget and considers financial monitoring, virements, reserve movements and the outturn. The Audit Committee provides oversight of governance, risk management, internal and external audit and the Annual Governance Statement. The Chief Finance and Section 151 Officer has responsibility for the proper administration of the Council's financial affairs and reports financial matters to members.

Overall responsibilities for financial governance are consistent with the prior years and we have not identified a risk of significant weakness in arrangements.

Financial Monitoring and Outturn

The Council continued to integrate financial and performance monitoring during 2025/26. Budget and performance information was reported to Cabinet together, supported by a Budget and Performance Board. Cabinet received formal financial monitoring reports covering April to July 2025 and August to November 2025, with the final position reported through the year-end outturn.

We reviewed the July 2025 monitoring report which forecasted that net expenditure would remain within the approved General Fund budget of £15.6m. By November 2025, the forecast had changed to an overspend of £0.2m, which was proposed to be funded by repurposing earmarked reserves. The November report also identified that £0.4m of approved efficiency savings was no longer considered deliverable, including £0.3m relating to 2025/26. Cabinet was therefore asked to remove those savings and approve changes to reserves and the capital programme. This demonstrates that monitoring identified emerging pressures and resulted in proposed corrective action, although the

removal of previously approved efficiencies indicates delivery risk in the Council's savings programme.

Cabinet considered the outturn in June 2026 and approved movements and repurposing within earmarked reserves. Cabinet also approved £1.518m of non-committed capital carry-forwards above £50,000, noted other carry-forwards approved under delegated authority, and referred the overall financing of capital expenditure and Minimum Revenue Provision determination to Full Council. These arrangements were consistent with the respective responsibilities of Cabinet, the Chief Finance Officer and Full Council.

Other recommendation:

The level of capital carry-forwards indicates that delivery of the capital programme remains an area requiring management attention. Carrying forward approved resources preserves funding for delayed schemes, but repeated slippage could affect the timing of service benefits, create delivery-capacity pressures and reduce the usefulness of the original programme as a forecast of annual expenditure.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

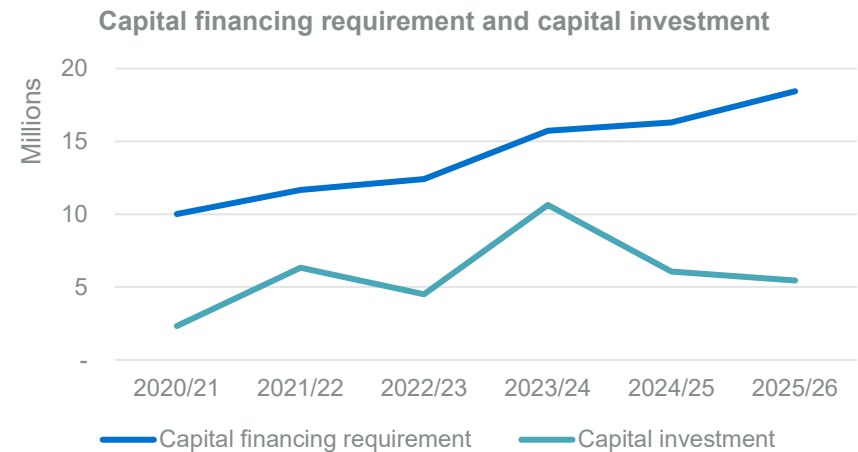
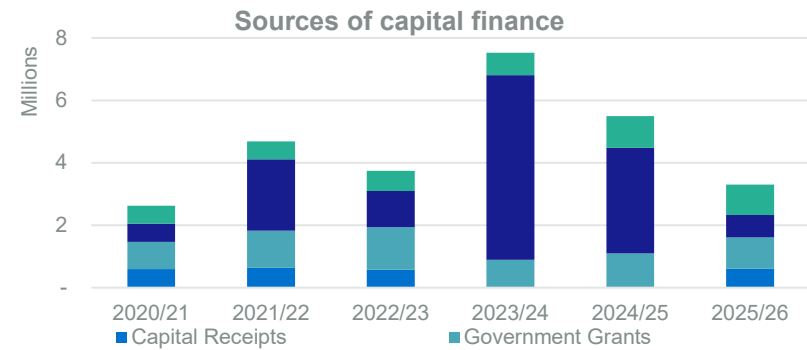
Capital Financing and Investment

The draft Statement of Accounts records capital expenditure of £5.5m in 2025/26, compared with £6m in 2024/25 and £10.6m in 2023/24. Capital financing in 2025/26 totalled £3.3m, comprising £0.601m of capital receipts, £1m of government grants, £0.724m of other grants and contributions, and £0.967m of Minimum Revenue Provision. External grants and contributions remained an important source of funding, although they were lower than in the previous two years. Capital receipts were used in 2025/26 after no use was recorded in 2023/24 or 2024/25. The Capital Financing Requirement increased from £16.3m to £18.5m, an increase of £2.2m or 13.2%. External borrowing remained broadly unchanged at £10.8m. The growing difference between the Capital Financing Requirement and external borrowing indicates that the Council financed part of its borrowing requirement internally from available cash balances and reserves.

The Minimum Revenue Provision (MRP) is a charge that the Council makes in its financial statements for the repayment of debt (as measured by the underlying need to borrow, rather than actual debt i.e. the Capital Financing Requirement - CFR). We have confirmed that the Council's 2025/26 MRP Policy Statement was approved by full Council in March 2025 in line with statutory requirements. The Council's MRP charge represents 5.9% of the closing CFR in 2025/26. This is slight decrease from 6.2% in 2024/25, but still at a high enough level to not suggest understatement.

The Capital Investment Strategy for 2026/27 to 2030/31 links capital planning to corporate priorities, asset management, the Medium-Term Financial Plan and treasury management. It states that borrowing should be tightly controlled because the associated debt costs must be met from an already constrained revenue budget. The Council's financing hierarchy prioritises external grants and contributions, followed by capital receipts, borrowing, leasing where applicable, and revenue contributions

We have not identified evidence from this review alone of a significant weakness in the Council's arrangements for capital expenditure and financing. Overall, the Council has appropriate arrangements for approving, financing and monitoring capital investment. Nevertheless, the increasing underlying borrowing requirement, planned additional borrowing and use of finite capital receipts should continue to be reviewed through capital monitoring, treasury management reporting and benefits realisation arrangements.



VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Budget Setting and Medium-Term Financial Planning

The Council's Constitution requires the Leader to present a draft Budget and Performance Plan to Cabinet by 21 February, setting out budget priorities, growth and proposed efficiencies. Cabinet considers the proposals before the final budget is presented to Full Council. For 2026/27, Cabinet considered the General Fund Revenue Budget, capital programme and treasury management arrangements on 19 February 2026, with the final budget and Council Tax presented to Full Council on 4 March 2026.

The 2026/27 revenue budget sets out the framework for financial control and incorporates government funding, taxation assumptions, service developments, efficiencies and the Medium-Term Financial Plan. The budget strategy includes principles that emerging pressures should be managed within overall resources, expenditure should be aligned with corporate priorities, and income should only be included where supported by robust and deliverable proposals.

The Medium-Term Financial Plan covers five years and brings together forecast expenditure, Council Tax, government funding, efficiencies, reserve movements and capital financing implications. Separate capital and treasury reports support alignment between revenue, capital and borrowing decisions. The capital programme and strategy are assessed through prudential indicators intended to demonstrate affordability, prudence and sustainability, while the treasury management strategy sets borrowing and investment limits for approval by Full Council.

The budget-setting process therefore includes suitable arrangements for officer preparation, Cabinet consideration and Full Council approval, supported by medium-term financial planning and separate consideration of capital and treasury implications.

Overall, the Council has an established financial governance framework with defined member and officer responsibilities, regular financial reporting and appropriate approval routes. No significant weakness has been identified from this work, but the financial pressures identified mean that effective monitoring, timely corrective action and robust savings governance remain important.

Reserves

The Council's revenue reserves provide a reasonable level of short-term resilience, with the unallocated General Fund balance remaining materially above the Council's assessed minimum level. However, the latest 2026/27 Medium-Term Financial Plan forecasts significant use of the General Fund balance from 2027/28. The balance is forecast to reduce to £3.9m at 31 March 2028 and £1.8m at 31 March 2029, before reaching the assessed minimum level by 31 March 2030. The reserves position should therefore be considered alongside the Council's continuing structural funding gap and savings requirement, rather than as a long-term solution to those pressures.

Financial year	Net budget requirement (£000s)	Resources before General Fund balance movement (£000s)	Use of / (contribution to) General Fund balance (£000s)	Year-end General Fund balance (£000s)	Minimum required balance (£000s)	Headroom above minimum (£000s)
2026/27	16,882	17,062	(180)	5,670	1,266	4,404
2027/28	18,433	16,662	1,771	3,898	1,383	2,515
2028/29	18,816	16,770	2,045	1,853	1,411	442
2029/30	17,719	17,195	524	1,329	1,329	-
2030/31	17,341	17,313	29	1,301	1,301	-

Other recommendation:

To avoid unsustainable planned use of reserves to bridge funding gaps in the medium-term financial plan, the Council should continue to develop and implement a sufficiently detailed medium-term financial recovery plan. This should include a realistic assessment of whether services can be delivered within the cost envelope, followed by a thorough review of transformation and efficiency programme to ensure the general fund balance remains robust.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Reserves - continued

We reviewed the Council's General Fund, earmarked reserves and usable capital reserves using the draft 2025/26 Statement of Accounts and the 2025/26 outturn report. At 31 March 2026, the Council held £21.4m of total usable reserves, compared with £18.4m at 31 March 2025, an increase of £3m or 16.3%. This comprised £5.7m of unallocated General Fund reserves, £7.9m of earmarked General Fund reserves and £7.8m of usable capital reserves. The increase in total usable reserves was therefore attributable to capital reserves, which increased by £3.3m, while total General Fund reserves reduced slightly from £13.9m to £13.6m.

The unallocated General Fund balance increased by £0.4m, from £5.3m to £5.7m. The outturn report records a closing balance of £5.7m, £0.4m higher than the revised estimate of £5.2m. This arose principally from higher business rates and grant income than forecast. This provides increased short-term capacity to manage unforeseen expenditure and volatility.

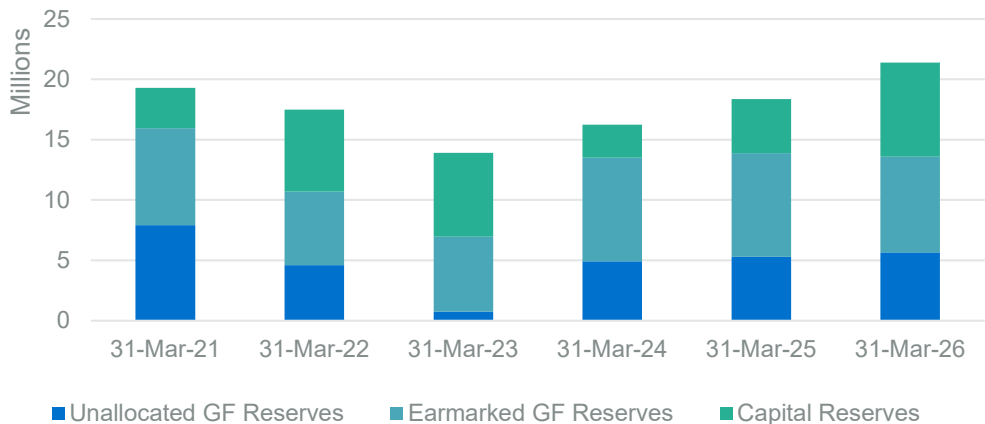
Earmarked reserves reduced from £8.6m to £7.9m, a reduction of £0.7m. The outturn report records net use of £0.7m, compared with planned use of £0.8m. Earmarked reserves are held for identified purposes and risks and should not therefore be regarded as fully available to support the underlying revenue position.

The Council has arrangements to monitor reserves through its budget monitoring and outturn process. During 2025/26, Cabinet received monitoring reports at periods 4 and 8, and the year-end movements in earmarked reserves were reported to and approved by Cabinet.

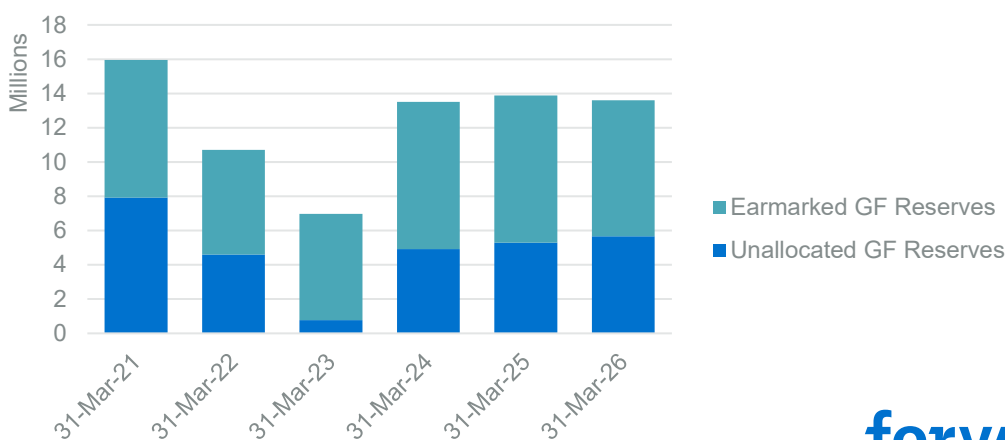
Overall, the Council's reserves position at 31 March 2026 provides mitigation against short-term financial pressures and does not, in isolation, indicate a significant weakness in arrangements. Continued monitoring is required to ensure that reserves are used for planned and sustainable purposes and are not relied upon as a recurring solution to the Council's underlying funding gap.

Based on the above considerations we have not identified evidence of a significant weakness in the Council's arrangements for securing Financial Sustainability for the year ended 31 March 2026

Total Usable Reserves: Gedling Borough Council



Usable Revenue Reserves: Gedling Borough Council



VFM arrangements

Governance

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



VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

There were no significant weaknesses in the Council's governance arrangements carried forward from the previous year.

Arrangements over the operation of internal controls

Internal control and internal audit

The Council's internal audit function is provided by an external provider and operates under a risk-based annual plan approved by the Audit Committee. The 2025/26 plan was completed and included reviews of risk management, main financial systems and fraud, asset management, cyber security, People Services, corporate governance and freedom of information and complaints.

The Head of Internal Audit concluded that the Council's risk-management, control and governance arrangements were "generally satisfactory, with improvements required in some areas." This was similar to the level of assurance provided in the previous year.

From our review of the Internal Audit Annual Opinion and reports raised in the year, we have not identified evidence that the internal audit findings, individually or collectively, indicate a significant weakness in arrangements. However, the Council should continue to strengthen the monitoring and escalation of overdue internal audit actions.

Counter-fraud and whistleblowing arrangements

Fraud and misconduct risks are incorporated into the Council's corporate risk-management arrangements and are supported by fraud risk assessments, internal audit work, participation in the National Fraud Initiative and regular reporting to the Audit Committee.

In June 2026, the Council produced a new Anti-Fraud and Corruption Strategy. This is supported by a fraud response plan, an anti-money laundering policy and an action plan for 2026/27. The strategy sets out the Council's arrangements for preventing, detecting, investigating and responding to fraud and corruption and reflects relevant CIPFA guidance and the reasonable-procedures principles associated with the failure-to-prevent-fraud offence. The Council also refreshed its Whistleblowing Policy.

These developments address the substance of our prior-year recommendation around making sure the Council's counter-fraud documents are kept updated. Continued attention is required to implement the action plan, complete staff awareness and training activity and monitor the effectiveness of the revised arrangements, but we have not identified evidence of a significant weakness.

Budget setting and budgetary control

Based on our meetings with officers and review of key documentation, the Council follows an annual budget-setting process governed by its Constitution and Financial Regulations. The process includes updating the base budget and Medium-Term Financial Plan for funding, inflation, pay, demand and service pressures; assessing revenue and capital proposals; reviewing efficiencies; and obtaining the Chief Finance Officer's statutory assessment of the robustness of estimates and adequacy of reserves.

Financial performance is monitored during the year through the Council's management arrangements and formal reports to Cabinet. These reports cover revenue and capital expenditure, reserves, efficiencies, performance and virements. The 2025/26 monitoring process identified emerging service pressures and £0.4m of approved efficiencies that were no longer considered deliverable. Management removed those efficiencies and developed replacement proposals rather than continuing to rely on savings that were unlikely to be achieved.

The final 2025/26 General Fund outturn remained within the net Council budget of £15.6m after approved reserve movements. The General Fund balance at 31 March 2026 was approximately £5.7m, compared with the revised estimate of £5.2m. Although the overall position was balanced, individual services experienced significant variances, particularly Environmental Services, which were offset by favourable movements elsewhere. However we do not consider this to indicate a risk of significant weakness in arrangements as we confirmed through our review of budgetary control procedures that these were tracked through the financial year.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

Arrangements for decision-making

The Council's Constitution sets out the responsibilities of Full Council, Cabinet, the Audit Committee, Overview and Scrutiny Committee, regulatory committees, statutory officers and senior management. Reports to decision-making bodies follow a standard format setting out the purpose of the report, recommendations, alternative options and relevant financial, legal, equality, sustainability and Local Government Reorganisation implications. We reviewed Council and committee agendas, reports and minutes, the Constitution, the Local Code of Corporate Governance and the draft 2025/26 Annual Governance Statement. These provided evidence that members received relevant information to support decisions and that opportunities existed for member scrutiny and challenge. Internal audit's 2025/26 Corporate Governance review assessed the design of controls as substantial and their operational effectiveness as moderate. Internal audit observed key governance meetings and reported that these generally operated effectively, including oversight of significant programmes, budgetary management and risk management.

The Council's Local Code of Corporate Governance is reviewed annually and is based on the CIPFA/SOLACE Delivering Good Governance in Local Government Framework, including the May 2025 addendum applicable to Annual Governance Statements from 2025/26.

Audit Committee

The Council has an established Audit Committee responsible for oversight of risk management, internal control, internal and external audit, counter-fraud arrangements and the Annual Governance Statement. During 2025/26 the Committee received quarterly corporate risk reports, internal audit progress reports, individual internal audit findings, external audit updates and governance and counter-fraud reports.

We attended meetings and reviewed the reports and minutes available for 2025/26. The Committee met regularly, received reports covering its core responsibilities and demonstrated evidence of member challenge. We have not identified evidence that the Committee was unable to discharge its responsibilities adequately.

Risk-management arrangements

The Council maintains a corporate risk-management framework, supported by a Risk Management Framework, risk-appetite arrangements and the Ideagen system. Corporate risks are considered by the Corporate Risk Board and Senior Leadership Team and reported quarterly to the Audit Committee. The corporate risk register records risk scores, responsible officers, mitigating controls, planned actions and quarterly management updates.

Internal audit's Risk Management review assessed the design of controls as substantial and operational effectiveness as moderate. It found that arrangements provided a sound framework, although improvements were identified in the wording and documentation of controls recorded in Ideagen.

We examined the quarter four corporate risk register which identified continuing risks relating to financial sustainability, service capacity, procurement and contractual partnerships, infrastructure assets, fraud, ICT and information governance. The register also recorded management actions and changes in risk exposure. We found no evidence that significant risks were omitted from the Council's monitoring or that identified risks were not being reported through the established governance structure

Based on the above considerations we have not identified evidence of a significant weakness in the Council's arrangements in relation to Governance for the year ended 31 March 2026

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 the Improving Economy, Efficiency and Effectiveness reporting criteria

There are no indications of a significant weakness in the Council's arrangements carried over from the previous year.

Performance management

The Council monitored delivery of its corporate priorities through the Gedling Plan 2023-27 and the 2025/26 Annual Delivery Plan. The delivery plan contained actions and milestones across customer experience and communities, smarter working, depot modernisation, Gedling growth, leisure transformation and the governance control framework. Performance was recorded in Ideagen and reviewed through service-management arrangements, the Budget and Performance Board, Senior Leadership Team and Cabinet.

Quarterly performance reports brought together information on Annual Delivery Plan milestones, performance indicators, complaints and compliments. The reports were designed to provide early warning where planned actions or performance targets might not be achieved and included explanations and management responses for areas of weaker performance.

From our review of key reports, at the end of 2025/26, 155 Annual Delivery Plan milestones had been completed, representing 82% of the number originally planned. A further 15% were incorporated into the 2026/27 delivery plan and 3% were cancelled because they were no longer required. Of the 39 performance indicators reported at year end, 14 met or exceeded target, eight were slightly below target, three missed target, 11 were tracking indicators and data was unavailable for three. The indicators missing target included the time taken to process new Housing Benefit and Council Tax Reduction claims, the time taken to process changes in circumstances and working days lost to sickness absence.

The performance report identified the causes of weaker performance and the actions being taken. These included restructuring and recruitment within the benefits service, absence-management training, customer-system improvements and service-specific action plans. We therefore found evidence that there were arrangements in place to identify performance matters and the ability to take action.

Procurement

Procurement is governed by the Council's Contracts and Procurement Rules and Procurement Strategy 2025-27 and is supported by the In-tend e-procurement portal. The arrangements are intended to promote compliance, value for money, proportionate competition, social value and effective contract management.

The Council approved a Social Value Policy during 2025/26. Its corporate risk register nevertheless identified capacity pressures affecting the shared procurement service and delays in the delivery of contract-management training. Management planned to review the shared-service arrangements and complete training during 2026/27.

We found evidence that procurement and contract-management risks were identified and monitored. The capacity pressures and delayed training require continued oversight, but we did not identify evidence of significant financial loss, widespread non-compliance or failure to secure the expected benefits from a major procurement or outsourced service.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

Partnerships and contractual arrangements

The Council works with other local authorities, public bodies, community organisations and business groups to deliver services and strategic priorities. Partnership activity includes shared services, procurement, housing and homelessness, economic development, community safety, health and wellbeing, and preparations for Local Government Reorganisation.

Partnership and contractual risks are incorporated into the Council's corporate risk-management framework. The corporate risk register includes a specific contractual-partnerships risk covering the cost, capacity and performance of partnership and contractual delivery. The quarter four assessment identified procurement capacity as a developing risk and recorded mitigating actions, including review of the shared-service arrangements and contract-management training.

We reviewed relevant committee reports, risk information, procurement arrangements and performance reporting. We found no evidence that a significant partnership failed to deliver its principal objectives or caused the Council a material financial loss during 2025/26.

Local Government Reorganisation

Local Government Reorganisation represents a significant strategic and operational issue for the Council. It affects medium-term financial planning, workforce capacity, asset management, service continuity, governance, data and systems, and the achievability of transformation and efficiency programmes.

During 2025/26, Nottinghamshire councils developed and submitted proposals to government. The Council participated in the local governance and engagement arrangements and continued to assess the effect of reorganisation on its corporate plans, financial forecasts, workforce and service-delivery arrangements. The 2026/27 budget and Gedling Legacy Plan recognise reorganisation as a central planning assumption, while the corporate risk register identifies associated capacity and delivery risks.

The Council's 2026-28 Asset Management Strategy was also prepared with reorganisation in mind.

Its objectives include maintaining safe and fit-for-purpose assets, limiting new acquisitions unless previously approved, prioritising high-maintenance assets for disposal and supporting the transfer of clear and well-managed asset information into the new arrangements.

At the time of our assessment, the final form, timetable and financial consequences of reorganisation remained uncertain. The Council will therefore need to continue to:

- maintain clear governance and decision-making arrangements for its participation in the reorganisation programme;
- identify and monitor transition costs and funding;
- manage staff capacity, retention, wellbeing and succession risks;
- maintain service continuity while contributing resources to transition work;
- consider the effect on major investments, asset decisions and transformation projects;
- maintain appropriate information-governance, cyber-security and systems arrangements; and
- coordinate decisions with partner councils where these could affect the future authorities.

We found evidence that the Council had recognised these risks and had incorporated them into its corporate planning and risk-management arrangements. We did not identify evidence that the Council had failed to discharge its responsibilities or that its arrangements were inadequate. The position will remain under review as the reorganisation programme develops.

Based on the work performed, we have not identified evidence of a significant weakness in the Council's arrangements for improving economy, efficiency and effectiveness for the year ended 31 March 2026.

Other reporting responsibilities

Other reporting responsibilities

Wider reporting responsibilities

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 group auditor

Whole of Government Accounts (WGA)

The National Audit Office (NAO), as group auditor for the WGA, requires us to carry out work and provide a WGA Assurance Statement in respect of the Council's consolidation data. We have been unable to conclude our work as we have not yet received confirmation from the NAO that the group audit of the WGA has been completed and that no further work is required to be completed by us.

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