



# Auditor's Annual Report

## Mansfield District 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 Mansfield District 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 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 an unqualified audit opinion on 20<sup>th</sup> February 2025.



### 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) which has also been brought to the September Governance and Standards Committee. In the ACR we also outlined the uncorrected misstatements we identified and any internal control recommendations we made, as well as qualitative aspects of the Council's accounting practices .

## 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"><li>• issue a report in the public interest;</li><li>• make statutory recommendations that must be considered and responded to publicly;</li><li>• apply to the court for a declaration that an item of account is contrary to law; and</li><li>• issue an advisory notice under schedule 8 of the 2014 Act.</li></ul> <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

**Overall Summary**

VFM arrangements



# 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 officers

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 outcome 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?
 <b>Financial sustainability</b>	12	Yes – see page 12	No	Yes – see page 13
 <b>Governance</b>	16	No	No	No
 <b>Improving economy, efficiency and effectiveness</b>	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

## Risks of significant weaknesses in arrangements in relation to Financial Sustainability

We have outlined below the risk of significant weakness in arrangements that we identified as part of our continuous planning procedures, and the work undertaken to respond to that risk.

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p><b>How the body plans to bridge its funding gaps and identifies achievable savings</b></p> <p>1 The 2024 medium term financial plan and associated budget identifies funding gaps in the years 2024/25-2026/27. The Council is required under statute to present a balanced budget each year. There is a risk in that in subsequent budgets, the Council may include unrealistic savings plans.</p>	<p><b>Work undertaken</b></p> <p>To establish if there is a significant weakness in arrangements, we reviewed the Council’s plans to address the forecast budget gaps and evaluate the reasonableness of the actions taken to eliminate the forecast deficits.</p> <p><b>Results of our work</b></p> <p>Whilst a surplus position against budget has been attained in 2022/23 and 2023/24, there are still challenges that the Council will face going forwards, which are highlighted in the Medium Term Financial Plan (MTFP) covering 2024/25 to 2026/27. In particular, this highlights that in 2025/26, the Council’s identified and proposed General Fund savings are not sufficient to cover the deficits predicted hence creating a budget gap specifically a deficit post savings of £618k being estimated.</p> <p>The Council has a good track record of achieving budgeted outturn positions and with the financial gap not arising until 2025/26 there is enough time to allow plans to be put in place to address the deficit. Overall, for the financial year ended 31 March 2024, we are satisfied that there is not a significant weakness in arrangements in relation to financial sustainability, but we have raised an other recommendation as the Council do not currently report consistently on how achievable savings proposals are within their MTFP or whether the identified savings have been attained (see page 13).</p> <p>We recommend that the Council set out specific details of savings that are proposed for the year, which are rating based how achievable they are deemed to be and what risk are involved, as well as who is responsible for oversight and implementation. We would then expect to see a report produced at year end detailing which savings had been achieved, whether they are recurrent or one off and for those savings not achieved whether they will roll into future years savings proposals. This will enable to Council to give members more oversight over the impact of decisions that they are making.</p>

### 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.

There was one risk of significant weakness identified in the Council’s arrangements for financial sustainability however the process in place have been deemed satisfactory with scope for improvement.

### 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.

# VFM arrangements – Financial Sustainability

## Overall commentary on Financial Sustainability - continued

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

We considered the 2023/24 budget setting process, including the Medium Term Financial Plan (MTFP) as part of our work on the 2022/23 review of arrangements, with no significant concerns arising. The MTFP 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 MTFP 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 January 2023 full council meeting as evidence of adequate arrangements in place for budget setting and management in reflection of changes.

### 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 £1.339m.

We reviewed the outturn position reported in August 2024 to the Overview and Scrutiny Committee (Corporate Resources), which confirmed the General Fund achieved a surplus against budget of £0.269m which has been transferred to Earmarked Reserves. The Housing Revenue Account (HRA) achieved a balanced budget which was in line with forecasts at the start of the year.

Whilst a surplus position against budget has been attained in 2022/23 and 2023/24 we noted there are still challenges that the Council will face going forwards. The Medium Term Financial Plan (MTFP) covering years 2024/25 to 2026/27 highlights the challenges as from 2025/26 the Council’s identified and proposed General Fund savings are not sufficient to cover the deficits predicted hence creating a budget gap.

The Council has a good track record of achieving budgeted outturn positions and with the financial gap becoming severe from 2025/26, there is enough time to allow plans to be put in place to address the deficits. There are good practices going forwards that the Council could follow to improve on the clarity of savings that are being achieved as current reporting to members provides significant details on outturn and variances to plan but is not necessarily as transparent as it could be over the achievement of savings.

The Council currently builds savings into the underlying budget and then manages the financial position through routine budget management arrangements. However, given the extent of future challenge, the Council should consider applying good practice that we have seen elsewhere.

Other recommendation	Council’s response
<p>The Council do not currently report consistently on how achievable savings proposals are within their MTFP or whether the identified savings have been attained.</p> <p>We recommend that the Council set out specific details of savings that are proposed for the year, which are rating based how achievable they are deemed to be and what risk are involved, as well as who is responsible for oversight and implementation. We would then expect to see a report produced at year end detailing which savings had been achieved, whether they are recurrent or one off and for those savings not achieved whether they will roll into future years savings proposals. This will enable to Council to give members more oversight over the impact of decisions that they are making.</p>	

### The Council’s arrangements and approach to financial planning 2023/24

We reviewed the MTFP set from 2024/25 to 2026/27 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 2026/27 was approved at Full Council in January 2024. The MTFP adequately identifies the financial implications from 2024 to 2027 noting that the key assumptions underpinning expenditure budgets through the MTFP included CPI, pay increases of 5% annually, and pension contribution rates.

To keep the General Fund working balance at the minimum level set by the Council for 2024/25, 2025/26, and 2026/27 additional transformation savings or income generation are required as detailed below:

Year	2024/25	2025/26	2026/27
Savings required	£2,473k	£3,947k	£5,414k

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, provided it delivers on its savings plans, to prevent a significant risk to the Council’s financial sustainability.

# VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria – continued

### 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 the Overview and Scrutiny Committee (Corporate Resources) in August 2024, which highlighted the General Fund achieved a surplus against budget of £0.269m which has been transferred to Earmarked Reserves. The Housing Revenue Accounts (HRA) achieved a balance budget which was in line with what was set out at the start of the year. It was also identified there was slippage of £2.49m against the agreed capital programme due to delays in large capital schemes restarting due to supply chain issues and increased costs. The capital underspend is largely being carried forward for the completion of existing projects.

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

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 usable reserves have increased from £76.7m in 2022/23 to £81.9m in 2023/24, with:

- General Fund Reserves of £2.125m down from £2.347m in the prior year
- Earmarked General Fund Reserves of £13.3m, up from £11m in 2022/23
- Capital Receipts Reserve of £15m, down from £15.4m in 2022/23
- Capital Grants Unapplied of £10.7m, up from £6.9m in 2022/23.

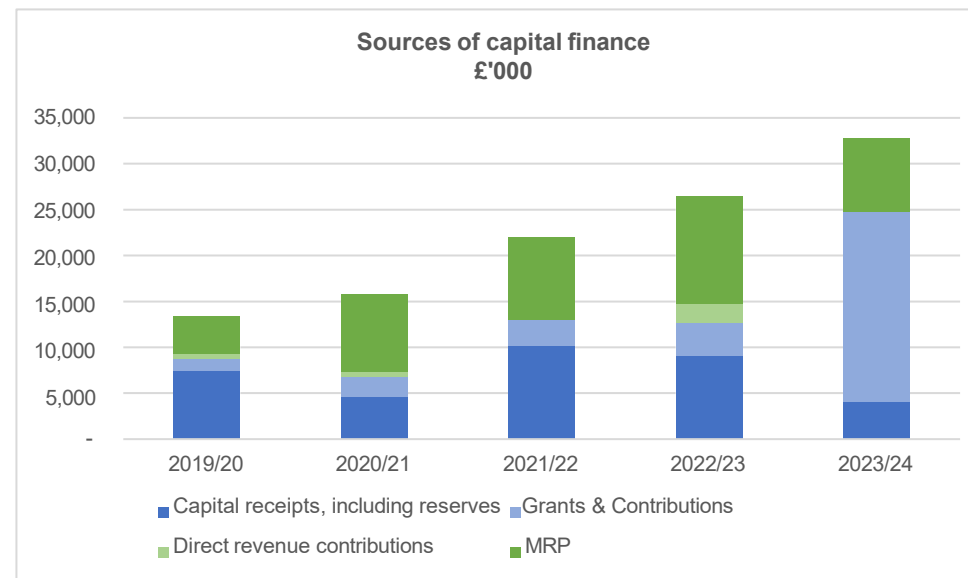
### Capital financing

The Council's arrangements for setting and monitoring capital expenditure are consistent with the previous year, which we deem to be adequate.

We considered the Council's capital financing requirement as set out in Note 35 of the financial statements, which has fallen from £150m in 2018/19 to £122m in 2023/24, each decrease representing a declining need to borrow to finance capital expenditure. We also considered the sources of capital finance in the capital programme, which shows over the past five years capital spend has been mainly financed through capital receipts and reserves with more reliance on grants in the current year, for example in 2023/24:

- £1.6m from capital receipts
- £20.6m in grants and contributions
- £0 in direct revenue contributions; and
- £8m through the Minimum Revenue Provision (a minimum amount, set by law, which the Council must charge to the income & expenditure account, for debt redemption or for the discharge of other credit liabilities).

In 2023/24, the Council spent £24m on capital additions per Note 13 of the financial. Our testing of these balances did not identify any material issues. We are satisfied the council's capital expenditure and capital financing does not give rise to a risk of significant weakness in arrangements.



Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability but there are areas for improvement indicated by the other recommendation 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 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 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.

The Governance and Standards Committee is responsible for overseeing the effectiveness of the Council's risk management arrangements, challenging risk information and escalating issues to the Executive. We have attended meetings of the Committee and reviewed minutes and reports presented during the year, including matters relating to risk. From our attendance at meetings and review of the minutes, we are satisfied there is sufficient evidence of Member oversight of risk management, including holding Officers to account.

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.

No significant weaknesses in internal control have been identified from our work to date and Internal Audit have not identified or raised any significant concerns. We reviewed the Annual Governance Statements 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 in house Internal Audit function. The annual Internal Audit plan is agreed with management at the start of the financial year and is reviewed by the Governance and Standards Committee 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 and Standards Committee meetings including follow up reporting on recommendations from previous Internal Audit reports. From our attendance at meetings, we are satisfied this allows the Council 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, the Corporate Assurance Manager was able to provide assurance that the Council has adequate and effective governance arrangements, adequate and effective risk management arrangements and adequate and effective internal control processes.

We have noted that the Council had an inadequate rating on an internal audit report of information governance, one of the issues identified was not responding to freedom of information requests within the statutory timelines. We discussed the findings from the report with the Council and confirmed that they have an action plan in place and are working with internal audit and regulators to mitigate future issues. The Council also were in breach of section 10 as reported by the ICO in June 2024 due to not issuing a substantive response within the require 20 day period. Whilst this is an ongoing issue we do not believe that this would constitute a significant weakness for VFM purposes as the Council has an action plan in place and is actively working towards making improvements.

# 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 and Standards Committee

The Council has an established Governance and Standards Committee 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 reviewed supporting documents and confirmed the Governance and Standards Committee meets regularly and reviews its programme of work to maintain focus on key aspects of governance and internal control. Our attendance at Governance and Standards Committee has confirmed there is an appropriate level of effective challenge.

### Arrangements for budget setting and budgetary control

The Council's budget setting and medium-term financial planning follows a similar process and format to previous years and our review is supported by discussions with officers during the year and experience from prior year audits. The arrangements in place for budget setting and updating the Medium-Term Financial Plan are as expected for a District Council, with arrangements for: consultation, scrutiny, evaluation of financial risk, alignment to business plans and sources of funding.

We read the assumptions underpinning the Medium-Term Financial Plan (MTFP) 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.

The MTFP shows a deficit on the General Fund revenue budget of £2,473,000 for 2023/24 with annual increases thereafter. Proposals to mitigate this deficit are included within the report and the deficit of £2,473,000 is before savings and efficiencies have been taken into account and assumes only a 2.99% increase in Council Tax charged to its residents. The figures also do not include any service developments put forward by service areas and do not include any potential supporting finance from the Council's balances or earmarked reserves. The savings identified in the report total £2,473,000 so would enable to Council to set a balanced budget and retain the general fund balance at the current level of £2,125,000. 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.

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.

We have reviewed minutes of meetings and the year end financial outturn reports during the year as well as the and 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.

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 Plan 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.

As part of the Council's Performance Management and Continuous Improvement Framework all service areas are required to develop an annual Service Plan which sets out the key activities to be delivered and the measures (performance Indicators) used to monitor the impact of those activities. We reviewed the Overview and Scrutiny Committee (Corporate Resources) performance report from June 2024, which included the Service Plan Performance Indicators for all service areas including:

- People and Transformation
- Neighbourhood Services
- Finance
- Law and Governance
- Planning and Regeneration
- Housing
- Health and Communities.

### 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

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.

# VFM arrangements – Improving Economy, Efficiency and Effectiveness

## Overall commentary on Improving Economy, Efficiency and Effectiveness - continued

### LGA peer review

In October 2023, the LGA published their peer review report on the Council, the report overall detailed a positive view of the Council and included the opening statement that *“Mansfield District Council (MDC) is engaged with and well respected by external partners, which positions it well for future devolution possibilities. MDC has a clear corporate plan and priorities with projects linked to the achievement of both.”*

There were six key recommendations made by the report which would fall under the VFM reporting criteria and can be seen detailed below:

- Swiftly agree the financial plans to assist in addressing the current and future challenges MDC faces;
- Maximise Collective Leadership Opportunities;
- Prioritise key projects and create stronger visibility;
- Consider wider opportunities for Mansfield, and its partners, within the East Midlands region;
- Maximise the opportunity of the Overview and Scrutiny function; and
- Build and sustain capacity to deliver MDC’s ambition.

In response to the recommendations raised the Council has put in place a clear action plan which designates a responsible owner for each action, the timescale in which the action is due for completion and a responsible Committee so that oversight is provided to Members.

The Council have put in place a process to monitor progress through the Corporate Leadership Team and report progress are taken to “Lead Committees” who have been deemed responsible for the actions that have been put in place.

We noted that all actions with a completion timescale of April 2024 or before have been marked as “completed” or “commenced and will be ongoing” this reflects that the Council have been pro-active in working towards completion of the action plan and all targets with later completion dates have been marked as “on target”.

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

# Other 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 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.

05

Audit fees and other services

# Audit fees and other services

## 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 Audit Committee. 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	£163,042	£54,667
Additional fees in respect of additional work from the introduction of new auditing standards (ISA 540 estimates)	N/a included in the revised scale fee	£3,000
Additional fees in respect of additional work from the introduction of new auditing standards (ISA 315)	£9,410	£5,000
Audit expert PPE valuation	N/a not required for the 23/24 audit	£3,975
Additional fees in respect of VFM commentary	N/a included in the revised scale fee	£7,500
Additional fees in respect of VFM risk of significant weakness	£3,000	N/a
<b>Total fees</b>	<b>£175,452</b>	<b>£74,142</b>

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