



Specialist Works Forecasting Internal Audit – October 2025

KPMG reviewed Curo's processes and controls for forecasting specialist works, including how demand is forecast during the annual budget-setting cycle, how budgets are reviewed and approved, how performance and demand are monitored and reforecast during the year, and how specialist works data is used to inform asset investment planning.

The audit provided **Significant Assurance with Minor Improvement Opportunities (Amber-Green)**. KPMG found robust controls over demand forecasting during budget setting and effective monitoring of specialist works performance against budget. Although there was a negative budget variance, appropriate oversight was in place at directorate and Executive level. Controls over the use of data and assumptions, budget review and approval, and in-year reforecasting were also found to be effective.

The audit identified a number of areas of good practice. These included effective collaboration between Finance and operational budget holders, Executive review and approval of the budget, monthly monitoring of overspends and variances, quarterly reforecasting and regular reporting of financial performance. KPMG also found appropriate controls over specialist works orders, supported by approved subcontractor arrangements, surveyor quality assurance checks and monitoring of operational performance indicators.

The main areas for improvement related to asset investment planning and demand forecasting. KPMG found that specialist works data was not yet fully integrated into asset investment planning because of limitations in system interoperability and consistency of data recording, although an interim solution and longer-term improvement plan were already in place. There was also an opportunity to strengthen forecasting assumptions to improve budget accuracy, including through better analysis of the causes of demand and comparison of forecast demand against actual demand.

Curo agreed two management actions – one medium and one low priority, with no high-priority findings. These were to improve the specialist works dataset and use it to inform asset planning and the 2026/27 budget, and to strengthen forecasting by comparing forecast demand with actual demand when developing the 2026/27 budget.