



# Report to Audit and Governance Committee

<b>Date:</b>	6 <sup>th</sup> March 2024
<b>Title:</b>	<b>External Auditor Interim Annual Report 2022/23</b>
<b>Author:</b>	Hasina Shah
<b>Recommendations:</b>	The Committee are requested to note the findings in the report by the external auditor attached at Appendix A on the Council arrangement for securing Value for Money (VfM) in its use of resources, the recommendations made and management's response.

## 1 Executive Summary

- 1.1 Under National Audit Office (NAO) Code of Practice regulations, external auditors are also required to make a Value for Money assessment to consider that local authorities have put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 1.2 The report provides detail on Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.
- 1.3 Under the annual reporting on VfM arrangements, auditors are required to undertake work to provide a commentary against three criteria set by the NAO.
  - 1.3.1 **Financial sustainability:** how the Council plans and manages its resources to ensure it can continue to deliver its services;
  - 1.3.2 **Governance:** how the Council ensures that it makes informed decisions and properly manages its risks; and
  - 1.3.3 **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.

## **2 2022/23 Auditors conclusion of the Council's Value for Money**

2.1 Grant Thornton's conclusion of the Council's Value for Money detailed assessment is provided in Appendix A and is summarised below.

1. **Financial Sustainability** - There are no significant weaknesses identified and seven improvement recommendations made for which we have provided detailed management response along with action plan for implementation where appropriate. Most of these action plans are already implemented as part of the 2024-25 Medium Term Financial Plan (MTFP) process.
2. **Governance** – The audit work did not identify any new areas of significant weaknesses; however, this is rated red as there is one significant weakness in arrangements identified relating to financial statements preparation on which we have made significant progress. In addition to this there are three improvement recommendations for which the management will be taking necessary action to implement.
3. **Improving economy, efficiency and effectiveness** – There are no significant weaknesses in arrangements identified, however there are five improvement recommendations some of which are already implemented and some are work in progress.

## **3 Legal and financial implications**

3.1 **Finance** : There are no direct financial implications arising from this report and the S151 officer is content with this statement.

3.2 **Legal** : There are no direct legal implications arising out of this report and the monitoring officer is content with this statement.

## **4 Next steps and review**

4.1 Not applicable.