

Progress Report on Value For Money Conclusions 2021/22

For Audit and Governance Committee on 25 July 2023

Summary

Lead Member: All

Lead Director: Lee Colyer, Director of Finance, Policy and Development

Head of Service: Katherine Woodward, Head of Audit Partnership

Report Author: Lee Colyer, Director of Finance, Policy and Development

Classification: Public document (non-exempt)

Wards Affected: All

Approval Timetable	Date
Audit and Governance Committee	25 July 2023

Recommendations

Officer / Committee recommendations as supported by the Portfolio Holder:

1. That the committee consider and note the progress in addressing the improvement recommendations from the auditor's value for money conclusions.

1. Purpose of Report and Executive Summary

- 1.1 This report provides the Audit and Governance Committee with a progress update on how the Council is working to address the improvement recommendations of the external auditor's value for money conclusions in respect of 2021/22.

2. Introduction and Background

- 2.1 The Appointed Auditor, Grant Thornton UK LLP issued their Annual Report which was agreed by the Audit & Governance Committee on 14 March 2023. The report discharges the responsibilities of the external auditor in accordance with the Local Audit and Accountability Act 2014 (the Act) and the National Audit Office Code of Practice, this included reporting on:
- Financial sustainability
 - Governance; and
 - Improving economy, efficiency, and effectiveness.
- 2.2 Responsibility for the stewardship of taxpayers' resources and taking properly informed decisions rests with the Administration of the Council.
- 2.3 The Act also requires the external auditor to each year issue an opinion on the Council's Financial Statements as to whether they give a fair view of the financial position of the Council and have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code. Responsibility for preparing the statement of accounts and the systems of internal control rests with the s151 Officer.
- 2.4 These two main external reviews form the Annual Audit Report/Letter.

Statement of Accounts

It is quite common for councils to receive a list of multiple corrections and recommendations due to the over complicated nature of local authority accounts. The high quality of the accounts produced by the Council has ensured that the audit opinion for 2021/22 was issued by the deadline, this is unusual with only 9 per cent of local authorities achieving this.

Value for Money Conclusion

The Council has previously received clean VFM conclusions. The report detailed that the external auditor had made three improvement recommendations based on their findings, which are shown below along with the allocation of responsibility for actioning.

1. A new corporate plan be brought forward, this will provide the focus required to help meet the challenges ahead.
Responsibility, Leader of the Council, and the Chief Executive.

Progress Update: TWBC Corporate Plan approved by Full Council on 1 March 2023, Appendix A.

2. In line with the new corporate plan, the Council should develop a long-term savings plan, failure to do so could lead to an unsustainable financial position developing. Responsibility, Cabinet Member for Finance and Performance and the s151 Officer.

Progress Update: Draft Savings Plan considered by the Finance & Governance Cabinet Advisory Board 11 July 2023 with recommendation to Cabinet on 27 July 2023, Appendix B.

3. A Human Resources Strategy should be prepared, formally approved, and circulated to appropriate officers.
Responsibility, Chief Executive and Head of HR, Customer Services and Culture.

Progress Update: Member Briefing held 14 July 2023 with a Draft Report Expected in September 2023.

- 2.5 The findings are accepted, and the Council should now focus on ensuring that there are no repeat recommendations that would potentially lead to the external auditor exercising their statutory powers over the Council.
- 2.6 This report provides the public with assurance from the external auditor's work that public funds are being correctly accounted for and safeguarded.

3. Options Considered

- 3.1 The Audit and Governance Committee is required to consider reports from the external auditor.

4. Preferred Option and Reason

- 4.1 The Audit and Governance considers the progress report on implementing the VFM improvement recommendations.

5. Consultation on Options

- 5.1 Reports from the Appointed Auditor are produced in accordance with the Professional Code and when published stand as a matter of public record to which significant weight is attached.

6. Appendices and Background Documents

Appendices:

- Appendix A: TWBC Corporate Plan 2022-24
- Appendix B: Draft Savings Plan 2022-24

7. Cross Cutting Issues

A. Legal (including the Human Rights Act)

The Accounts and Audit Regulations require the Council to have a sound system of control and effective arrangements for securing value for money. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective.

There are no immediate legal implications arising from this report.

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B. Finance and Other Resources

None identified at this stage.

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C. Staffing

None identified at this stage.

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D. Risk Management

The findings of the external auditor form part of the Council's Risk Management consideration.

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E. Environment and Sustainability

None identified at this stage.

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F. Community Safety

None identified at this stage.

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G. Equalities

None identified at this stage.

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H. Data Protection

None identified at this stage.

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I. Health and Safety

None identified at this stage.

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J. Health and Wellbeing

None identified at this stage.

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