

**11 April 2023**

**Annual Audit Report 2021/22**

**Ward(s):** All

**Portfolios:** Lead Portfolio – Finance (Leader of the Council), All

**Purpose:** For Information

**1. Aim**

- 1.1 To provide Audit Committee with the Annual Audit Report for the financial year ending 2021/22 following the conclusion of the audit.

**2. Summary**

- 2.1 This report provides the Annual Audit Report 2021/22 on value for money produced by the council's external auditor. The draft value for money report was presented to Audit Committee in November 2022 and deadlines have now been added to the improvement recommendations. The report also incorporates the opinion on the financial statements for 2021/22. The Committee received the outcome of the audit in the Audit Findings report at their meeting in March.

**3. Recommendations**

- 3.1 That Audit Committee notes the Annual Audit Report (Appendix 1).
- 3.2 That the Committee notes that the report will be forwarded to full Council for their consideration.

**4. Report detail – know**

- 4.1 The council's external auditors, Grant Thornton, are required by the National Audit Office Code of Audit Practice to consider whether the council has put into place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The Code also requires the auditors to produce a report to the council detailing these arrangements along with any key recommendations on significant weaknesses that were identified.
- 4.2 The attached Annual Audit Report (Appendix 1) details the council's arrangements in securing economy, efficiency and effectiveness in its use of resources. The value for money arrangements were reviewed against three main criteria:
- Improving economy, efficiency and effectiveness

- Governance
  - Financial sustainability
- 4.3 For all three criteria no significant weaknesses were identified. The report does provide 2 improvement recommendations for financial sustainability and 2 improvement recommendations in relation to Improving economy, efficiency and effectiveness for the council to consider. These are outlined within the report. These were considered by Audit Committee at their meeting in November 2022 when a request was made for deadlines to be added. The final report contains those deadlines.
- 4.4 The report notes that the council's 2021/22 financial statements received an unqualified opinion on 22 March 2023.

#### Control Environment

- 4.5 This report relates to the arrangements the council has in place to secure economy, efficiency and effectiveness in its use of resources.

#### Assurance of Controls

- 4.6 The council's external auditors, Grant Thornton, are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy themselves that the council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 4.7 Further the Code of Audit Practice issued by the National Audit Office requires them to produce an Annual Audit Report giving details of their findings relating to these proper arrangements.

#### Strategic Risks

- 4.8 This report reviews actual performance in relation to the 2021/22 financial year. As no significant weaknesses were identified there are no strategic risks directly related to the Annual Audit Report and value for money assessment specifically, however it does link strongly to and form part of the assurances in place in relation to strategic risk 7 which is focussed on the overall financial resilience of the council.

### **5. Financial information**

- 5.1 There are none directly related to this report. Securing value for money is a key objective of the council.

### **6. Reducing Inequalities**

- 6.1 Effective value for money arrangements ensure a focus on delivery of Corporate Plan objectives, a key driver of which is reducing inequalities.

### **7. Decide**

- 7.1 As this report is for information only there are no matters within this report for decision.

## **8. Respond**

- 8.1 Audit Committee may wish to comment on the report. Once considered by Audit Committee the report will be presented to Full Council.

## **9. Review**

- 9.1 Any significant weaknesses that Grant Thornton have discovered during this audit process has been reported within the Annual Audit Report (Appendix 1). Any recommendations for improvement will be considered and implemented within the council's proper arrangements going forward.

## **Background papers**

Code of Audit Practice

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