

22 February 2022

Annual Audit Report 2020/21

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 2020/21.

2. Summary

2.1 This report provides the Annual Audit Report 2020/21 on value for money produced by the council's external auditor.

3. Recommendations

3.1 That Audit Committee receives the Annual Audit Report (Appendix 1) and comments accordingly and recommends its submission to Full Council.

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. It identified that the council:

- Has a well developed performance management framework which included clear and succinct reporting to members.
 - Is proactive in using reports from government, regulators and other bodies to conduct compliance reviews or lessons learned reporting to ensure best practice was followed where possible.
 - Has a good track record of sound financial management.
 - Actively seeks the view of the local community and other stakeholders through regular consultation.
- 4.4 The report does provide 8 improvement recommendations for the council to consider across the three criteria. These are outlined within the report.
- 4.5 The auditor has also reviewed the council's Covid-19 arrangements as part of this audit. Their judgement is that the council had:
- put in place effective governance arrangements
 - an understanding of financial risks associated with the pandemic
 - clear adoption of a multi-agency approach
- 4.6 The auditor concluded that this had allowed the council to effectively monitor the strategic and operational impact of Covid-19 on council services. This also allowed the council to take timely and responsive actions as required.
- 4.7 The report notes that the council's 2020/21 financial statements received an unqualified opinion on 26 November 2021.

Control Environment

- 4.8 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

- 4.9 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.
- 4.10 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

- 4.11 This report reviews actual performance in relation to the 2020/21 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 Once considered by Audit Committee the report will be presented to Full Council.

8. Respond

- 8.1 Audit Committee may wish to comment on the report.

9. Review

- 9.1 There are no significant weaknesses reported within the Annual Audit Report (Appendix 1). 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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