



# Walsall Metropolitan Borough Council

Auditor's Annual Report  
Year ending 31 March 2025

06 November 2025



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# 01 Introduction and context

# Introduction

This report brings together a summary of all the work we have undertaken for Walsall during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

## Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

## Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR).

## Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

# Local government – context

Local government has remained under significant pressure in 2024/25

## National

### Past



#### Funding Not Meeting Need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.



#### Workforce and Governance Challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

### Present



#### Financial Sustainability

Many councils continue to face significant financial challenges, including housing revenue account pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



#### External Audit Backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

### Future



#### Funding Reform

The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.



#### Reorganisation and Devolution

Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

## Local

The Council is a unitary Council with a population of 284,100 residents. The Council operates under an Executive decision-making model, which oversees the formation of all major policies, strategies and plans and as such the Council’s formal decision making and governance structure constitutes the Full Council and an Executive (the Cabinet). Full Council and Cabinet are supported by five overview and scrutiny committees. The Council has 60 councillors. The most recent elections were in May 2024 at which the Conservative party retained control of the Council.

**It is within this context that we set out our commentary on the Council’s value for money arrangements in 2024/25.**

# 02 Executive Summary

# Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council’s arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
<b>Financial sustainability</b>	<b>A</b> No significant weaknesses identified; improvement recommendation continued in relation to financial sustainability challenges.	No risks of significant weakness identified.	<b>R</b> A significant weakness in arrangements has been identified in respect of the significant increase of the Dedicated Schools Grant (DSG) cumulative deficit. An Improvement Recommendation has been made to support the Council in improving arrangements for financial sustainability.
<b>Governance</b>	<b>A</b> No significant weaknesses identified; improvement recommendation raised in relation to the seniority of the s.151 and Monitoring Officers within the organisational structure.	No risks of significant weakness identified.	<b>A</b> No significant weaknesses in arrangements identified; two improvement recommendations have been made to support the Council in strengthening the governance and decision making arrangements in place.
<b>Improving economy, efficiency and effectiveness</b>	<b>A</b> No significant weaknesses identified; improvement recommendation continued in relation to procurement and commissioning.	No risks of significant weakness identified.	<b>A</b> No significant weaknesses in arrangements identified; one ongoing improvement recommendation made to support the Council in improving arrangements for procurement.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



## Financial sustainability

The Council overspent its budget in 2024/25, largely driven by cost pressures relating to Adults and Children's Services and the underachievement of savings.

The Council has identified savings that bridge its funding gap and identifies risks to its financial plans in its Medium-Term Financial Outlook (MTFO). However, achieving planned savings has been a challenge over the last two years and the increase in requirement to deliver a balanced budget in 2025/26 presents an increased risk; we have therefore raised an Improvement Recommendation in this area.

The DSG cumulative deficit has increased significantly in 2024/25, and is projected to increase further in coming years. We consider this to be a significant weakness in arrangements. We have raised a key recommendation.

Further details are shown on pages 15-19.



## Governance

The Council has arrangements in place to manage risk and internal controls, set and monitor budgets and ensure appropriate standards are in place; supported by a risk management strategy and framework.

However the recently completed independent review has raised a number of concerns and issues relating to the Planning Committee, which the Council are currently addressing. We have raised an improvement recommendation in this area to support improved governance and strengthening of decision making.

We have also retained the previous recommendation relating to the s151 officer and Monitoring Officer in decision making noting the opportunity to further review this as part of the planned Senior Management Review.

Further details are shown on pages 20-25.



## Improving economy, efficiency and effectiveness

The Council has arrangements in place for monitoring performance against its Corporate Plan, however paused its regular corporate reporting of performance indicators to Cabinet in 2024/25 while it was reviewing and changing its Corporate Plan.

The Council has recently updated its partnership arrangements and chairs the Walsall 2040 Partnership.

The Council's capital programme is monitored regularly though has moderate levels of slippage.

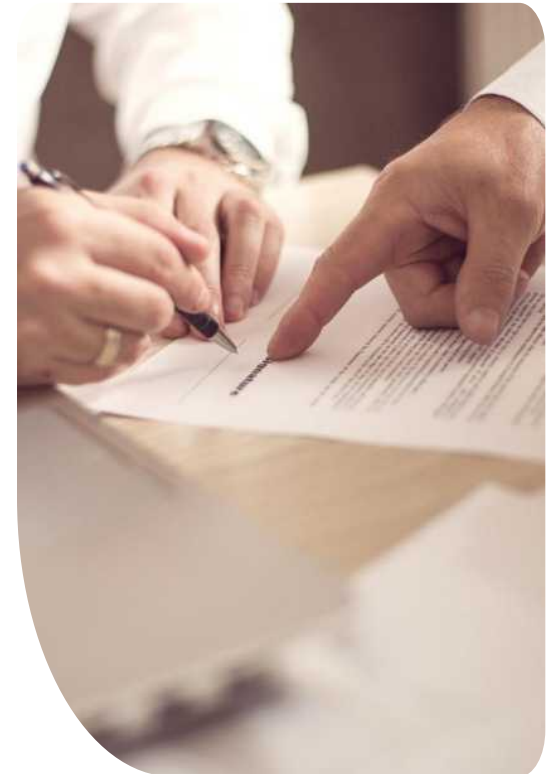
In 2022/23 and 2023/24 we raised Improvement Recommendations in respect of procurement. There has been progress in implementing these but some are still to be completed. The Improvement Recommendation is therefore retained.

Further details are shown on pages 26-29.

# Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Council’s financial statements and sets out whether we have used any of the other powers available to us as the Council’s auditors.

Auditor’s responsibility	2024/25 outcome
<p><b>Opinion on the Financial Statements</b></p>	<p>We expect to have completed our audit of your financial statements and issued an unqualified audit opinion in November 2025, following the Audit Committee meeting on 17 November 2025. Our findings are set out in further detail on pages 11 and 12.</p>
<p><b>Use of auditor’s powers</b></p>	<p>We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.</p> <p>We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.</p> <p>We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.</p> <p>We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.</p>



# **03 Opinion on the financial statements and use of auditor's powers**

# Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

## Audit opinion on the financial statements

We intend to issue an unqualified opinion on the Council's financial statements by the end of November 2025.

The full opinion is included in the Council's Annual Report for 2024/25, which can be obtained from the Council's website.

## Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

## Findings from the audit of the financial statements

The Council provided draft accounts in line with the national deadline of 30 June 2025.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

## Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report was presented to the Council's Audit Committee on 17 November 2025, alongside this report. Requests for this Audit Findings Report should be directed to the Council.

# Other reporting requirements

## Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.



# **04 Value for Money commentary on arrangements**

# Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



## Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



## Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



## Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

# Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The revenue outturn position for 2024/25 was a £33.47m overspend, however earmarked reserves had been set aside in previous years that were used to meet a large part of the overspend (£20.2m). In addition, £11.39m of mitigating actions were implemented during the year leaving an adverse variance of £1.89m (0.24% of gross expenditure).</p> <p>Pressures relating to adults’ and children’s services have had a significant impact on the Council’s finances. The DSG has also faced financial pressure, with the cumulative deficit increasing significantly in year to £29.89m. Due to its significance, we have concluded there to be a significant weakness in arrangements and have raised a key recommendation in this area. Further details can be found on the following pages of our report.</p> <p>The Council used reasonable assumptions in its budget planning and MTFO. The Council is aware of the changeable nature of its budget and has looked at different scenarios in preparing the MTFO and for 2025/26 budget setting. The Council has a set a balanced budget in 2025/26, which uses £6.75m of reserves.</p>	<p>R</p>
<p>plans to bridge its funding gaps and identify achievable savings</p>	<p>The Council has identified savings that bridge its funding gap and has a record of taking an iterative approach to delivering savings, assessing all savings that do not deliver to see if any changes are needed to plans for future years. However, the savings programme has achieved significantly less in percentage terms than planned. The Council delivered 57% of its £23.3m savings for 2023/24 and 47% of £25.3m for 2024/25. The underachieved savings have been reflected in future targets. Delivery of the 2025/26 balanced budget requires the successful delivery of £29.04m of identified savings; this is a significant increase when compared to actual savings delivered in 2023/24 and 2024/25. We have raised an Improvement Recommendation recognising the challenge and risk to the Council.</p>	<p>A</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Council's MTFO and budget reflect the Council's approach and strategy, as shown in the Council's Corporate Plan 2025-2029, and the budgets are aligned with the outcomes in the plan. The Council understands its statutory functions and their costs and analyses the unit costs and client numbers that impact on this for key services such as children's and adults' social care.	G
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	<p>The Council's financial plans are consistent with other key plans with the budget and MTFO reflecting the Council's Workforce Strategy and Pay Policy.</p> <p>The Council's Capital and Investment Strategy within the MTFO reflects the Council's Strategic Asset Plan. The Council's process for approval takes account of other plans and asset needs and projects are linked to outcomes from the Corporate Plan. The Council has also shown the links between items in the Capital Programme and its net zero work.</p> <p>The Council agrees its Treasury Management and Investment Strategy at the same time as the budget and Capital Programme, as part of the same report. The Strategy gives a good overview of the Council's position.</p>	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The Council identifies risks to its financial plans in its MTFO and the Section 151 Officer's s25 report comments on the robustness of estimates and adequacy of reserves which discusses risks around variability in demand, particularly in children's services, inflation and delays in savings delivery. The Council looks at different scenarios around the budget both while producing the budget and during the year. The quarterly financial monitoring reports that are reported to Cabinet give comments on budget variations, and discuss pressures and overspends, their causes and actions to be taken.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Financial sustainability (continued)

## Significant weakness identified in relation to financial sustainability of the Council's Dedicated Schools Grant deficit

**Key Finding:** The Government has extended the DSG statutory override until March 2028. High Needs Block (HNB) deficits are an issue nationally, which the Department for Education (DfE) has been addressing through Safety Valve and Delivering Better Value in SEND (DBV) programmes.

**Evidence:** The Council has a DSG deficit which is escalating at an unsustainable rate. At the end of 2022/23, the DSG was £530k increasing to a cumulative deficit of £7.4m in 2023/24. An in-year deficit of £22.49m in 2024/25 has increased the cumulative deficit to £29.89m.

The 2024/25 outturn position is a positive movement of £2.09m compared to the forecast position in the DSG Management Plan. However, the deficit is forecast to continue to increase with a forecast cumulative deficit at the end of the 2027/28 financial year of £117.49m.

Due to the increasing deficit, the Council has developed and embedded its DSG Management Plan. The plan covers a rolling 5-year period and sets out the estimated High Needs funding that the authority will receive over that period, the likely demand for high needs support and estimated cost of provision. The plan contains a series of actions designed to mitigate the position and has been agreed with DfE. The Council has a High Needs working Group which reviews in particular the external placements, has increased internal provision and has working groups with Heads of SRPs (i.e. units in mainstream schools) and is planning to (at an officer level) use scheduled meetings with DfE to probe and lobby.



# Financial sustainability (continued)

## Significant weakness identified in relation to financial sustainability of the Council's Dedicated Schools Grant deficit

**Evidence (continued):** The Council is aware that post-2028, the Council may need to meet the ongoing overspend from its General Fund resources. The Council's current reserve position would allow absorbing this cost in the short term but depending on the specifics of the Government's changes this may impact the long term.

We are concerned that the management plan will not address the deficit and if the statutory override is lifted on 31 March 2028 the DSG deficit will need to be met from the Council's reserves; which may put at risk the Council's financial sustainability going forward.

**Impact:** If the statutory override is not further extended, in April 2028 the DSG deficit will present a material risk to long-term financial sustainability, with potential implications for wider council services.

## Key recommendation 1

The Council must take further action to ensure the deficit trajectory is brought under control, with a focus on strengthening transformation outcomes, and ensuring strong governance arrangements are in place to deliver on the DSG Management Plan.



### Reducing DSG deficits

Cumulative deficits in DSG, particularly those arising from high costs associated with delivering Special Educational Needs and Disabilities (SEND) services funded through the High Needs Block, are a widespread challenge across the Country.

Local Authorities have adopted a range of strategies to address these pressures, including:

- Capital investment to expand in-house SEND provision and increase capacity within special schools.
- Enhanced support for SEND pupils in mainstream settings, through increased staffing and targeted resources.
- Investment in demand management initiatives, such as digital tools to streamline Education, Health and Care Plan (EHCP) processes and reduce unnecessary EHCP requests.
- Collaborative development of SEND system action plans, working closely with partners including health services to improve outcomes and system efficiency.

# Financial sustainability (continued)

## Area for Improvement identified: Delivery of savings

**Key Finding:** The Council overspent its revenue budget in 2024/25; largely driven by pressures relating to demand led services and under-delivery of its planned savings.

**Evidence:** The Council overspent its revenue budget by £1.9m in 2024/25 after using £20.2m of earmarked reserves. The Council is taking action to mitigate this position which will include improving controls in areas where there have been limited assurance internal audit reports for example Adults Debt Recovery and Direct Payments.

The 2024/25 savings programme has achieved significantly less in percentage terms than planned. The Council delivered £12m (47%) of the planned £25.3m plan. Delivery of the 2025/26 balanced budget requires the successful delivery of £29.04m of identified savings; this is a significant increase when compared to actual savings delivered in 2024/25, increasing the risk of delivering a balanced outturn position in 2025/26; and which may impact future general fund reserves.

The Council has a set a balanced budget in 2025/26, which uses £6.75m of reserves. The Council has a level of reserves that compares favourably with other Metropolitan authorities. While reserves have decreased; using the CIPFA resilience index data, the Council rate as low risk for reserves as a ratio of spend and use of reserves .

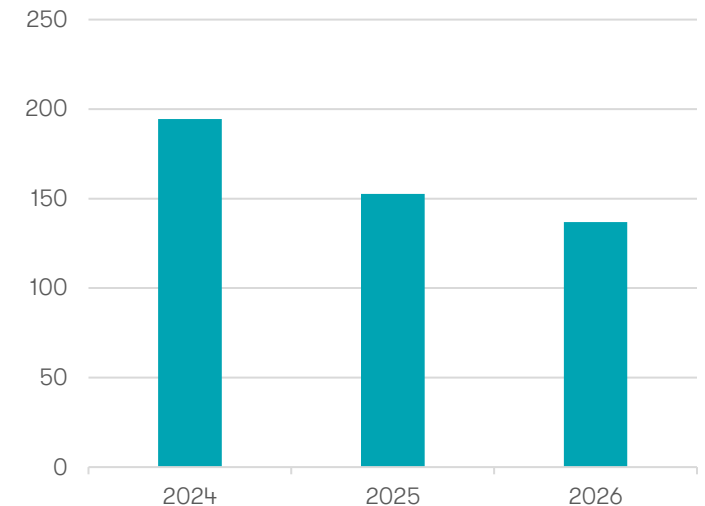
The Medium-Term Financial Framework requires that a prudent level of General Reserve is maintained. The opening unallocated General Reserve balance for 2024/25 was £19.56m. The closing balance of General Reserve for 2024/25 is £24.13m. The Council has a level of reserves that compares favourably with other Metropolitan authorities. The figure for unallocated General Fund, and earmarked reserves generally expected at the end of 2025/26 were forecast at £24.13m and £122.8m.

**Impact:** Revenue overspends and reducing reserves create risks to the Council’s financial sustainability.

## Improvement Recommendation 1

The Council should improve the governance arrangements in place to ensure delivery of its savings plans.

General and Earmarked Reserves at 31 March (£m)



# Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<p>monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Council has arrangements in place to identify and manage risk; underpinned by its Risk Management Strategy and embedded in its governance structures. Strategic risks are reviewed and updated on a six monthly basis by risk owners and Directors Group, with oversight and reporting to both Corporate Management Team and Audit Committee. Risks are scored and RAG rated and provide current controls, assurances and actions being taken. Deep dives on specific risks are also undertaken and reporting provided to the Audit Committee.</p> <p>Internal Audit provides assurance to the Audit Committee on a quarterly basis summarising progress against the Internal Audit Plan and the outcome of work completed. Reporting also provides an update on the status of actions arising from recommendations made in internal audit reports. The Head of Internal Audit provided a ‘Moderate’ opinion on the framework of governance, risk management and control for 2024/25 which reflects eight Limited Assurance opinion reports.</p> <p>The Council has appropriate whistleblowing arrangements in place. Fraud work is carried out by Solihull Council and is reported to the Audit Committee. The Council reports on the ombudsman's annual letter to its Standards Committee and has appropriate arrangements in place to review lessons learned from complaints.</p>	<p>G</p>
<p>approaches and carries out its annual budget setting process</p>	<p>The Council's approach to budget setting is well organised and structured. The budget setting process includes adequate time for consultation with budget holders, elected members, the public and other appropriate external stakeholders. For each department the budget report shows the outcome of the budget process in terms of pressures from pay, demography and demand, and efficiencies are identified for each department. The Council undertakes scenario planning and the budget is consistent with the MTFO.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The Council reports on its financial performance quarterly to Cabinet and include information on revenue and capital. Reports are clear, providing an overview of variations to budget and highlight key messages such as pressures on children’s and adults’ services and the actions the Council took to mitigate these. The Council also reports to Cabinet on Treasury Management, monitoring the Council's position in terms of interest rates, debt and investments. In our previous Auditor’s Annual Report we raised an improvement recommendation that the Council should increase its quality control of the work around the statement of accounts. We have noted an improvement in this area, and have therefore closed the recommendation but the Council should continue to enhance its processes.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The Council has arrangements in place to ensure that members making decisions have the necessary information. Cabinet reports show background to decisions and why decisions are required giving details on implications. The Scrutiny Committee considers the Cabinet’s workplan and the Cabinet Agenda includes reference and recommendations from Scrutiny. Portfolio Holders provide presentations to Scrutiny Committees. The Audit Committee has taken action to improve the extent to which Council staff understand the role of the Committee and to improve its engagement and participation. We have maintained an Improvement Recommendation to ensure the appropriate involvement of the Monitoring Officer and the Chief Finance Officer in decision making.</p> <p>An independent review of the Planning Committee has been completed by the Planning Advisory Service, which is part of the Local Government Association (LGA). While the key findings note that the planning service has made substantial progress since the 2021 Planning Peer Challenge, it has called for a ‘fundamental overhaul’ of the Planning Committee to address several issues identified during the assessment. We note the Council have responded and are in the process of implementing actions to address the issues raised. We have raised an improvement recommendation to ensure actions are timely and any learnt lessons are applied across the Governance Structure. Further details can be found on the following pages of our report.</p>	<p>A</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The Council has arrangements in place to report significant changes in government policy and legislation to members. The Council has also recognised the benefits of investing in member training including on the role and responsibilities of being a member.</p> <p>The Councillor Code of Conduct sets out the principles and associated standards of behaviour expected of Councillors when undertaking their public duties. The code also sets out the requirements for registering and declaring interests and the arrangements around gifts and hospitality. From our work on the Council’s financial statements, there were some queries raised in respect of declarations and a recommendation has been made in this area in our Audit Findings Report.</p> <p>In our 2022/23 and 2023/24 Auditor’s Annual Reports, we raised Improvement Recommendations in respect of procurement. There has been progress in implementing these actions, though some remain outstanding, including to complete the Procurement Strategy. We have retained an Improvement Recommendation in this area which is provided within the Improving Economy Efficiency and Effectiveness section of this report.</p> <p>During the course of our fieldwork we have been made aware of other concerns around governance. We are satisfied that these relate to the 2025/26 year and these concerns will be followed up as part of our review next year.</p>	<p>A</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Governance (continued)

## Area for Improvement: decision making processes

**Key Finding:** The LGA peer review raised a number of concerns in respect of the Planning Committee.

**Evidence:** The Planning Peer Challenge was conducted during March 2025 to provide an assessment of the Council's planning service, highlight strengths and identify any areas for improvement.

The report notes progress made since 2021, but reports that challenges remain in terms of Planning Committee operations, stakeholder engagement, and bolstering existing alignment between planning decisions and corporate objectives. There is a perception held, both internally and externally, that “the Planning Committee is operating with undue influence and suspicions over probity, and Councillors almost act as planning agents having discussions outside of the formal application and Committee process. This casts a dark cloud over the Council and severely affects its reputation. This ‘cloud’ overshadows the improvement of the planning service and the Council’s wider ‘open for business’ position.” The report also notes that 49% of planning reports presented to the Planning Committee overturn Officer's recommendations, compared to the national average of 10%. 20 recommendations are made to mitigate these concerns.

Discussions with the incoming Interim Monitoring Officer have confirmed that action is being taken to address the recommendations. An action plan is in place and Councillors have been reminded of due process. In addition, a constitutional review will be undertaken and the LGA have been requested to facilitate talks in respect of Member / Officer relationships and engagement.

The Council were considering commissioning a similar review in respect of the Licensing Committee. However we have been informed that this wont be undertaken at this time.

**Impact:** Weaknesses in governance arrangements can lead to inappropriate or unlawful decision making.

## Improvement Recommendation 2

To ensure there are appropriate and robust governance and decision making arrangements in place, the Council should:

- Ensure that the actions to address the outcome of the peer review are appropriately and timely implemented.
- Review the process for overturning Officer recommended decisions, in the context and comparison to the national average and ensure decisions taken remain appropriate and lawful.
- Apply any learnt lessons across the Governance Structure.
- Reconsider commissioning a similar peer review in respect of the Licensing Committee.
- Ensure the LGA Member / Officer relationship and engagement sessions are carried out as planned and any actions appropriately implemented.

# Governance (continued)

## Area for Improvement: decision making processes

**Key Finding:** The Council need to continue to sustain processes to involve statutory officers in decision making.

**Evidence:** In our previous Auditors Annual Report we recommended that the line management arrangements for the s151 officer and Monitoring Officer be reviewed to ensure alignment with CIPFA/SOLCAE guidelines. The Council responded noting that issues are discussed at Statutory Officer meetings and that the s151 officer and Monitoring Officer have a direct line to the Chief Executive on relevant issues and can raise concerns as appropriate. We have retained the recommendation; particularly in light of the changes in personnel and the opportunity to review as part of the Council's planned Senior Management Review.

**Impact:** Most Councils with Governance failings have either had decisions being made before or without adequate involvement of statutory officers (ie they were not appropriately involved) or without effective oversight by statutory officers.

## Improvement Recommendation 3

The Council should continue to ensure that the internal structures and processes they adopt allow appropriate involvement of statutory officers in decision making and strategic matters.



# Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>The Council paused its regular corporate reporting of performance indicators to Cabinet for 2024/25 while it was reviewing and changing its Corporate Plan. Whilst there was reporting of information to officers corporately, there was no high level reporting to members in year. We have not raised an improvement recommendation in this area as we have been informed that the Council plan to re-commence reporting against 2025/26 performance and plan to complete a 2024/25 year-end performance report (although this is not yet complete). We have assessed the criteria as amber to reflect the lack of in-year reporting.</p> <p>The Council have an Information Governance policy (updated 2023) and a Data and Insight strategy. The Council’s new Corporate Plan discusses using benchmarking as one of the ways of measuring success and we support the Council in this approach.</p>	<p><b>A</b></p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>In our previous year’s Auditor’s Annual Report we described how the Council used input from external organisations to improve, for example the Local Government Association (LGA) Corporate Review work in October 2023. The Council continues to address actions from previous work it also uses information from the Local Government Ombudsman.</p> <p>In May 2025 an OFSTED inspection of Children’s Services was carried out which rated the Council outstanding for overall effectiveness, and good or outstanding for all categories.</p> <p>A review of the Council’s website indicates a number of commissioned care services are rated as requires improvement. The Social Care and Health Overview and Scrutiny Committee are aware of the need to improve the availability of quality provision and reported to Scrutiny Committee in September 2024 the work planned by Adult Social care to address the challenges of increasing demand, financial pressures, improving service quality, to deliver better outcomes for residents including the priorities and the development of a continuous Improvement Plan.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Council has appropriate arrangements to ensure it delivers its role within significant partnerships. The Council engages with stakeholders and partners in developing strategic priorities and delivering key services. The Council has recently updated its partnership arrangements and chairs the Walsall 2040 Partnership. In addition to this single over-arching partnership, the Council has thematic partnerships eg the Health & Wellbeing Board, Safer Walsall Partnership and Cultural Compact Group which have adequate arrangements. We note that the Council plans to produce a partnership toolkit to set out Terms of Reference, functions and arrangements for partnerships.	G
commissions or procures services, assessing whether it is realising the expected benefits	The Council’s capital programme is monitored regularly, though there are moderate levels of slippage. This has improved slightly for 2024/25, and for the projects funded from the Council’s own resources has declined to 10%. In our 2022/23 and 2023/24 Auditor’s Annual Reports, we raised Improvement Recommendations in respect of procurement. There has been progress in implementing the actions, though there remain a number of actions still to be taken. An Improvement Recommendation is made that the Council report on the further actions required during 2025/26.	A

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

# Improving economy, efficiency and effectiveness (continued)

## Area for Improvement: Procurement

**Key Finding:** The Council has not completed some of the improvements it has committed to in its procurement activities.

**Evidence:** The AARs for 2022/23 and 2023/24 both raised improvement Recommendations in respect of procurement. They raised a number of areas where the Council needed to improve including:

- Production of the Procurement Strategy.
- Compliance with the procurement act.
- Consistency in contract management.
- Recording and approval of waivers.
- The contracts register and expenditure per contract.

The Council have made sufficient progress on the contract register and expenditure per contract for these elements to be closed down. There has been progress in addressing actions, though there remain a number of actions still to be taken. An Improvement Recommendation is made that the Council report on the further actions required during 2025/26. In particular the Council needs to make progress on its process for agreement and recording of waivers, and on approaches to ensure consistency of contract management.

**Impact:** In-adequate arrangements may impact the Council's ability to achieve value for money in its procurement, and contracting activities.

## Improvement Recommendation 4

The Council should report on actions relating to procurement regularly during 2025/26; including:

- Confirmation that the Council are in compliance with the Procurement Act and transparency requirements.
- Completion of the procurement strategy.
- Establishment of a new route for approval of waivers given the 3rd Party Spend Board is no longer in operation.

In addition the Council should complete to a satisfactory level the work which is close to completion:

- Improved coverage of Contract review meetings.
- The process for tracking of deliverables.

# **05 Summary of Value for Money Recommendations raised in 2024/25**

# Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p><b>KR1</b></p> <p>The Council must take further action to ensure the deficit trajectory is brought under control, with a focus on strengthening transformation outcomes, and ensuring strong governance arrangements are in place to deliver on the DSG Management Plan.</p>	<p>Financial sustainability (pages 17-18)</p>	<p><b>Actions:</b></p> <p>The following actions have been developed in response to the significant financial pressures facing Walsall Council and many other local authorities due to rising demand for Special Educational Needs and Disabilities (SEND) support. The aim is to ensure that the Council can continue to meet its statutory responsibilities for children and young people with SEND, while managing the Dedicated Schools Grant (DSG) deficit and advocating for a sustainable, long-term funding solution.</p> <p>Summary of key actions undertaken by the Council to manage the increasing deficit</p> <ul style="list-style-type: none"> <li>• Work with schools, parents, and health partners to improve early identification and intervention, reducing the need for higher-cost support later.</li> <li>• Monitor and report on DSG and High Needs Block budgets, and advocate for sustainable funding to protect resources and outcomes for children and young people.</li> <li>• Request urgent government action to:             <ul style="list-style-type: none"> <li>○ Fully fund all new and existing mandatory service costs.</li> <li>○ Increase central funding to match rising SEND and High Needs costs.</li> <li>○ Allow councils to allocate interest costs from DSG deficits to the DSG account and apply the statutory override retroactively.</li> </ul> </li> <li>• Support the Local Government Association’s call for the write-off of DSG deficits.</li> <li>• Engage local MPs to seek parliamentary support for a long-term solution to DSG funding pressures.</li> </ul>

# Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions	
KR1	<p>The Council must take further action to ensure the deficit trajectory is brought under control, with a focus on strengthening transformation outcomes, and ensuring strong governance arrangements are in place to deliver on the DSG Management Plan.</p>	<p>Financial sustainability (pages 17-18)</p>	<p><b>Continued:</b></p> <p>Our DSG Management Plan developed with the DfE to mitigate the increasing cost within the constraints of the current system sets out the detailed actions the Council will continue to take:</p> <ul style="list-style-type: none"> <li>• Hold monthly cross-service meetings for accurate forecasting.</li> <li>• Cease back-dated funding agreements unless a transparent system is in place.</li> <li>• Implement a decision-making process for independent placements to control costs.</li> <li>• Prioritise Walsall pupils for special school places to reduce out-of-borough and transport costs.</li> <li>• Improve data accuracy in the Capita system for better forecasting.</li> <li>• Review post-16 top-up rates and plan transitions to manage future costs.</li> <li>• Expand local SEN places by 2026 to reduce reliance on independent placements.</li> <li>• Promote early inclusion in mainstream settings to reduce EHCP requests and associated costs.</li> <li>• Regularly review and renegotiate high-cost independent placements for value for money.</li> <li>• Enhance engagement and communication to improve attendance and prevent escalation to specialist placements.</li> </ul>

# Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions	
KR1	<p>The Council must take further action to ensure the deficit trajectory is brought under control, with a focus on strengthening transformation outcomes, and ensuring strong governance arrangements are in place to deliver on the DSG Management Plan.</p>	<p>Financial sustainability (pages 17-18)</p>	<p><b>Continued:</b></p> <p>Given the scale of the financial challenge and the potential impact on vulnerable children and essential local services, it is vital that immediate and decisive action is taken nationally to secure a sustainable future for SEND provision in Walsall and to protect the wellbeing of our children, families, and communities.</p> <p><b>Responsible Officer:</b> Executive Director – Children’s Services</p> <p><b>Due Date:</b> On-going until national reforms are implemented</p>

# Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
IR1	The Council should monitor the impact of its planned mitigations and ensure there is appropriate governance arrangements in place to ensure delivery of its savings plans.	Financial sustainability (page 19)
		<p><b>Actions:</b></p> <p>The Council has a strong track record of delivering savings and maintained strong reserves to manage any delays. Since 2024/25, enhanced planning ensures saving proposals are rigorously reviewed to ensure timely delivery. Mitigating actions are quickly identified and clearly reported, with significant changes approved by Cabinet before implementation. Improved processes have led to better achievement of savings targets in 2025/26, with only 12% at risk compared to 53% in 2024/25.</p> <p>These achievements reflect a strategic commitment to financial stability and effective governance. Our detailed monitoring framework allows the Council to track progress on individual saving proposals and address emerging challenges promptly. Regular meetings with key stakeholders help refine these plans and identify innovative solutions that support efficiency without compromising service quality. Furthermore, transparent communication channels ensure that both managers and members are informed about ongoing initiatives and outcomes.</p> <p>Looking ahead, the Council intends to build on these successes by further strengthening its approach to financial management. Lessons learned from previous years will inform future strategies, aiming to reduce risks even more and maximise value for the community. The combination of robust oversight, proactive intervention, and collaborative working positions the Council well to respond flexibly to changing circumstances in subsequent years.</p> <p><b>Responsible Officer:</b> S151 Officer</p> <p><b>Due Date:</b> Completed for 2025/26</p>

# Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p data-bbox="191 425 802 532">To ensure there are appropriate and robust governance and decision making arrangements in place, the Council should:</p> <ul data-bbox="191 554 828 1265" style="list-style-type: none"> <li data-bbox="191 554 777 661">• Ensure that the actions to address the outcome of the peer review are appropriately and timely implemented.</li> <li data-bbox="191 682 828 868">• Review the process for overturning Officer recommended decisions, in the context and comparison to the national average and ensure decisions taken remain appropriate and lawful.</li> <li data-bbox="191 889 726 961">• Apply any learnt lessons across the Governance Structure.</li> <li data-bbox="191 982 802 1089">• Reconsider commissioning a similar peer reviews in respect of the Licensing Committee.</li> <li data-bbox="191 1110 828 1265">• Ensure the LGA Member / Officer relationship and engagement sessions are carried out as planned and any actions appropriately implemented.</li> </ul>	<p data-bbox="856 796 1031 889">Governance (page 24)</p>	<p data-bbox="1090 625 1205 654"><b>Actions:</b></p> <p data-bbox="1090 675 2428 896">Cabinet have agreed for the planning peer challenge action plan to be managed through Audit, Risk &amp; Assurance Committee and via the relevant Scrutiny Committee for regular updates to be taken to ensure the necessary actions are being implemented in a timely fashion. The planning team will consider all the other points alongside a review of the constitution, an overall governance review and as part of appointing a new head of planning &amp; building control</p> <p data-bbox="1090 918 1905 953"><b>Responsible Officer:</b> Head of Planning &amp; Building Control</p> <p data-bbox="1090 975 1396 1003"><b>Due Date:</b> June 2026</p>

# Key recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR3	The Council should continue to ensure that the internal structures and processes they adopt allow appropriate involvement of statutory officers in decision making and strategic matters.	Governance (page 25)	<p><b>Actions:</b></p> <p>As stated in the Annual Governance Statement for this period, the Council is broadly compliant with the CIPFA Statement on the Role of the Chief Financial Officer and has considered the CIPFA / SOLACE guidance. The current arrangements will be continuously monitored and established communication channels and opportunities for the S151 Officer and Monitoring Officer to raise any concerns identified with the Chief Executive will be used.</p> <p><b>Responsible Officer:</b> Chief Executive</p> <p><b>Due Date:</b> Ongoing, considered at each Statutory Officers Group meeting.</p>

# Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p>The Council should report on actions relating to procurement regularly during 2025/26; including:</p> <ul style="list-style-type: none"> <li>Confirmation that the Council are in compliance with the Procurement Act and transparency requirements.</li> <li>Completion of the procurement strategy.</li> <li>Establishment of a new route for approval of waivers given the 3rd Party Spend Board is no longer in operation.</li> </ul> <p>In addition the Council should complete to a satisfactory level the work which is close to completion:</p> <ul style="list-style-type: none"> <li>Improved coverage of Contract review meetings.</li> <li>The process for tracking of deliverables.</li> </ul>	<p>Improvement economy, efficiency and effectiveness (page 29)</p>	<p><b>Actions:</b></p> <p><b>Confirmation that the Council are in compliance with the Procurement Act and transparency requirements.</b></p> <ul style="list-style-type: none"> <li>The Procurement Team on the whole completed the Government Commercial Functions Transforming Public Procurement Certification Module – Practitioner level, and the Head of Procurement &amp; Contract Management/Governance/Systems Lead have completed the Commercial Functions Transforming – Deep Dives – Advanced Practitioner Level.</li> <li>Ongoing engagement with Cabinet Office with Transforming Public Procurement cohorts.</li> <li>Procurement are creating a major overhaul of the procurement and contract management rules, and a heightened focus on transparency, integrity and commerciality. That will align to the New Procurement Act PA23, Procurement Act 2024, The National Procurement Strategy and all connected other relevant legislation (including: its statutory requirement under the Transparency code 2015; i.e. Walsall’s Contract Register, Spend reporting etc.) principles/processes/transparency requirements. This will require formal sign-off and integration into the Councils Constitution. (FY: 26/27)</li> <li>To deliver on the already committed increased investment into the Procurement and Contract Management team, to support the new in statutory function of the team around PA23 compliance.</li> <li>Ongoing development of procurement and contract management guidance for the internal team, wider Council guidance, new procedures and forms/documentation (with agreed delegations by Thresholds &amp; Regimes) and the commitment to review a new procurement and contract management system to utilise technology and systems to support PA23 compliance and deliver an end to end procurement lifecycle solution:</li> </ul> <p>PLAN – DEFINE – PROCURE – MANAGE</p>

# Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p data-bbox="112 862 163 891">IR4</p> <p data-bbox="191 534 828 639">The Council should report on actions relating to procurement regularly during 2025/26; including:</p> <ul data-bbox="191 662 828 953" style="list-style-type: none"> <li data-bbox="191 662 828 768">• Confirmation that the Council are in compliance with the Procurement Act and transparency requirements.</li> <li data-bbox="191 791 828 825">• Completion of the procurement strategy.</li> <li data-bbox="191 848 828 953">• Establishment of a new route for approval of waivers given the 3rd Party Spend Board is no longer in operation.</li> </ul> <p data-bbox="191 976 828 1082">In addition the Council should complete to a satisfactory level the work which is close to completion:</p> <ul data-bbox="191 1105 828 1233" style="list-style-type: none"> <li data-bbox="191 1105 828 1176">• Improved coverage of Contract review meetings.</li> <li data-bbox="191 1199 828 1233">• The process for tracking of deliverables.</li> </ul>	<p data-bbox="856 782 1072 982">Improvement economy, efficiency and effectiveness (page 29)</p>	<p data-bbox="1090 425 1256 459"><b>Continued:</b></p> <p data-bbox="1090 482 1684 516"><b>Completion of the procurement strategy.</b></p> <ul data-bbox="1090 539 2390 725" style="list-style-type: none"> <li data-bbox="1090 539 2390 611">• First draft presented to CMT, further updates and feedback to be collected from key Directors, completion/publish target March 2026.</li> <li data-bbox="1090 619 2390 725">• Procurement and Contract Strategy also to follow the National Procurement Policy Statement Feb 2025 as required under PA23 and aligning with work being undertaken by the LGA on their procurement &amp; contract management strategy.</li> </ul> <p data-bbox="1090 748 2402 819"><b>Establishment of a new route for approval of waivers given the 3rd Party Spend Board is no longer in operation.</b></p> <ul data-bbox="1090 842 2438 1071" style="list-style-type: none"> <li data-bbox="1090 842 2438 948">• As highlighted above the new procurement &amp; contract management rules, a full re-write to include what is allowable regarding waivers under PA23, new processes and approval routes to be created and embedded.</li> <li data-bbox="1090 956 2438 1071">• Development of a New Procurement &amp; Contract Management Board (Replacing 3rd Party Spend Board) to cover the processes and governance required under procurement and contract management legislation and the Council own rules.</li> </ul> <p data-bbox="1090 1093 1793 1128"><b>Improved coverage of Contract review meetings.</b></p> <ul data-bbox="1090 1150 2372 1336" style="list-style-type: none"> <li data-bbox="1090 1150 2372 1253">• Developing the roles and responsibilities as PA23 emphasises a greater focus on supplier performance, value for money, public benefit, and detailed contract management requirements, including new termination rights.</li> <li data-bbox="1090 1262 2372 1336">• Defining the roles of Procurement &amp; Contract Management and Service/Commissioning contract management (Contract Relationship Management).</li> </ul>

# Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p data-bbox="112 806 163 841">IR4</p> <p data-bbox="188 479 828 586">The Council should report on actions relating to procurement regularly during 2025/26; including:</p> <ul data-bbox="188 611 828 901" style="list-style-type: none"> <li>• Confirmation that the Council are in compliance with the Procurement Act and transparency requirements.</li> <li>• Completion of the procurement strategy.</li> <li>• Establishment of a new route for approval of waivers given the 3rd Party Spend Board is no longer in operation.</li> </ul> <p data-bbox="188 925 828 1032">In addition the Council should complete to a satisfactory level the work which is close to completion:</p> <ul data-bbox="188 1056 828 1176" style="list-style-type: none"> <li>• Improved coverage of Contract review meetings.</li> <li>• The process for tracking of deliverables.</li> </ul>	<p data-bbox="856 729 1065 925">Improvement economy, efficiency and effectiveness (page 29)</p>	<p data-bbox="1090 425 1258 459"><b>Continued:</b></p> <p data-bbox="1090 479 1666 514"><b>The process for tracking of deliverables.</b></p> <p data-bbox="1090 534 2420 604">The foundation for delivering long-term efficiency and quality in contracts that are safe, legal and compliant to the Procurement Act 2023 and all connected other relevant legislation:</p> <ul data-bbox="1090 624 2420 1086" style="list-style-type: none"> <li>• Value for Money &amp; Efficiency – Deliver services that balance cost, quality, social value and outcomes.</li> <li>• Compliance &amp; Governance – Ensure all procurement complies with relevant laws, internal financial regulations, and audit requirements.</li> <li>• Fairness &amp; Transparency – Provide clear, open, and equitable opportunities for suppliers.</li> <li>• Local Economic Growth – Support SMEs, VCSEs, and local suppliers.</li> <li>• Sustainability &amp; Social Value – Embed carbon reduction, ethical sourcing, and community benefits in all procurements.</li> <li>• Risk Management &amp; Resilience – Identify, monitor, and mitigate supply chain risks.</li> <li>• Innovation &amp; Collaboration – Enable innovative solutions and partnerships with other authorities or agencies.</li> </ul> <p data-bbox="1090 1106 2053 1140"><b>Responsible Officer:</b> Head of Procurement &amp; Contract Management</p> <p data-bbox="1090 1160 2257 1230"><b>Due Date:</b> Improvements are ongoing - Procurement Strategy due by March 2026, Constitution update 2026/27</p>

# 06 Appendices

# Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council’s Value for Money arrangements

## Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

## Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

## Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.



### A range of different recommendations can be raised by the Council’s auditors as follows:

**Statutory recommendations** – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

**Key recommendations** – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

**Improvement recommendations** – actions which are not a result of us identifying significant weaknesses in the Council’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

## Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

# Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	During the 2023/24 financial statements audit, there were a number of errors found by the financial audit team. Whilst it is acknowledged that the Council ensured draft accounts were published by 31 May, increased quality control processes should be implemented to reduce errors.	2023/24	Additional training and controls have been applied	Closed	None
IR2	Details of financial reporting for Sherbourne Recycling Limited should be made available to members in order to manage and protecting shareholder interests in the company and understanding of financial and performance information in relation to the associate.	2023/24	This is now being reported in budget monitoring and as part of Treasury Management activity	Closed	None

# Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	Given the importance of statutory roles, the line management arrangements for the s.151 officer and Monitoring Officer should be reviewed to ensure alignment with CIPFA/SOLCAE guidelines. There is the potential that current arrangements could independence issues.	2023/24	The Council comment that this has been discussed at the Statutory officer meetings and discussed and reviewed every quarter and any risks or issues are dealt with as appropriate. The S151 and Monitoring Officer also have a direct line to the Chief Executive on relevant issues and can raise any concerns at any point if appropriate and that both of these will continue to be the case.	There is an opportunity to review as part of the Senior Management Team Review.	Retained

# Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation	Raised	Progress	Current position	Further action
<p>The Council need to complete further work on ensuring consistency across the organisation for contract management, procurement and commissioning.</p> <p>The Council needs to ensure that:</p> <ul style="list-style-type: none"> <li>contract review meetings are taking place with suppliers at regular intervals,</li> <li>that key deliverables are being tracked and expected benefits being realised,</li> <li>there is an enhanced understanding of actual expenditure per contract.</li> <li>Whilst we acknowledge that the Council is in a period of transition, we would expect significant progress to be made in 2024/25 following appointment of the Head of Procurement. This will be monitored in future years.</li> </ul>	2023/24	The Council have taken action in all areas, at present they have completed the action regarding enhanced understanding of actual expenditure per contract.	Partially complete	Incomplete actions included in 2024/25 IR4



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