

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

16 January 2023

Report of the Management Team

Part 1- Public

Matters for Recommendation to Cabinet

1 AUDITOR'S ANNUAL REPORT

Our external auditors (Grant Thornton UK LLP) are required to satisfy themselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report on the same to those charged with governance - which for this purpose is the Audit Committee – followed by Cabinet and Full Council.

1.1 Introduction

- 1.1.1 The auditor is required to report on the Authority's overall arrangements for securing economy, efficiency and effectiveness in its use of resources, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.
- 1.1.2 Auditors are required to report their commentary on the Authority's arrangements under specified criteria. The criteria are financial sustainability, governance and improving economy, efficiency and effectiveness.

1.2 Auditor's Annual Report

- 1.2.1 A copy of the Auditors Annual Report is attached at **[Annex 1]**. The Engagement Lead and or their representative will be at the meeting to present the report and to answer questions.
- 1.2.2 No significant weaknesses in arrangements were identified, but a number of improvement recommendations are made. For ease of reference the improvement recommendations made under each criteria and the management comment (*italics*) are set out below.

Financial sustainability

- 1.2.3 No improvement recommendations made under this criteria.

Governance

1.2.4 Consideration should be given to the following improvements to the risk management process:

- Consider providing additional information within the Strategic Risk Register, including direction of travel, sources of risk and assurance, and dates of last and next review.

Consideration to be given to providing additional information in the Strategic Risk Register from April 2023.

- Develop a training module for all staff to raise awareness of risk across the organisation.

Appropriate training for staff in order to raise awareness of risk across the organisation to be considered after the May 2023 election.

Improving economy, efficiency and effectiveness

1.2.5 The Council should consider the following improvements to its performance management framework:

- Report a suite of key performance indicators to Cabinet every six months.

Management Team in liaison with Cabinet to consider how this might best be achieved.

- Re-introduce the benchmarking practices used pre-pandemic to see how other councils provide services, with a view to introducing best practice and value for money.

Benchmarking can be resource intensive, that is not to say benchmarking is not a useful tool, adding insight and value when used in the right context and will continue to look for opportunities to benchmark where and when it is determined it will be beneficial to do so when undertaking a review of a specific service area(s).

- The Procurement Strategy should be refreshed, informed by the National Procurement Strategy toolkit.

The nature, scale and size of procurement activity is relatively constant year on year. However, do acknowledge the need to revisit the Strategy when other more pressing priorities and work pressures allow and in recognition of the new procurement regime due to be implemented in 2023.

1.3 Legal Implications

- 1.3.1 The Council's external auditor is required under s20(1)c) of the Local Audit and Accountability Act 2014 to satisfy themselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 1.3.2 The Code of Audit Practice issued by the National Audit Office in 2020 requires us (Grant Thornton UK LLP) to report to you our commentary relating to proper arrangements.

1.4 Financial and Value for Money Considerations

As set out in the Auditor's Annual Report.

1.5 Risk Assessment

- 1.5.1 As set out in the Auditor's Annual Report.

1.6 Equality Impact Assessment

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.7 Policy Considerations

- 1.7.1 Business Continuity/Resilience

1.8 Recommendations

- 1.8.1 Members are **RECOMMENDED** to:

- 1) Approve the Auditor's Annual Report **[Annex 1]** for 2021/22.
- 2) Note and endorse the management comments to the improvement recommendations made.

Background papers:

Nil

contact: Paul Worden
Neil Lawley

Sharon Shelton

Director of Finance and Transformation on behalf of the Management Team