



Auditor's Annual Report on Tonbridge & Malling Borough Council

For the period 2022-23

September 2023





We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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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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Executive summary



Value for money arrangements and key recommendations




Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Council's arrangements under specified criteria. 2020-21 was the first year that we reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

Two significant weaknesses are identified in the Council's arrangements to improve economy, efficiency, and effectiveness

Our findings of the VFM audit for 2022-23 identify two significant weaknesses in the Council's arrangements to improve economy, efficiency, and effectiveness. The Council needs to develop a performance framework and use performance management to drive its required transformation as it makes increasingly hard choices to identify savings. It also needs to significantly improve its arrangements for procurement and contract management.

| Criteria | Risk assessment | 2020-21 Auditor judgment | 2021-22 Auditor judgment | 2022-23 Auditor judgment | Direction of travel |
|--|---|---|--|---|---------------------|
| Financial sustainability | No risks of significant weakness identified from our planning and risk assessment work. | No significant weaknesses in arrangements identified, but three improvement recommendations made. | No significant weaknesses in arrangements or improvement recommendation made. | No significant weakness in arrangements identified, but two improvement recommendations made. | ↓ |
| Governance | No risks of significant weakness identified from our planning and risk assessment work. | No significant weaknesses in arrangements identified, but one improvement recommendation made. | No significant weaknesses in arrangements identified, but one improvement recommendation made. | No significant weakness in arrangements identified but two improvement recommendations made. | → |
| Improving economy, efficiency and effectiveness | No risks of significant weakness identified from our planning and risk assessment work. | No significant weaknesses in arrangements identified, but three improvement recommendations made. | No significant weaknesses in arrangements identified, but one improvement recommendation made. | Two significant weaknesses in arrangements identified and two key recommendations made. | ↓ |

 No significant weaknesses in arrangements identified or improvement recommendation made.
 No significant weaknesses in arrangements identified, but improvement recommendations made.
 Significant weaknesses in arrangements identified and key recommendations made.

Executive summary

Key recommendations

We raised performance management as an improvement recommendation in the Annual Audit Reports (AAR) for both 2020-21 and 2021-22. In 2022-23 the Council still lacked a performance framework meaning it was reactive to challenge, rather than proactively forward planning or anticipating issues before they emerged. Cabinet members cannot hold officers to account for performance if reporting is lacking. Performance benchmarking is not built into the Council's arrangements. While the Council recognises it needs to look at levels of delivery for statutory services given long-term financial constraints impact on its financial sustainability, this relies on effective performance data.

The Council has an important responsibility to ensure that procurement and contract management arrangements maximise the use of public finances, that value for money is achieved, and procurement delivers strategic priorities. We previously raised this in 2020-21 and in 2021-22 as an improvement recommendation. We find the Council's arrangements for procurement and contract management are not adequate to ensure it is achieving value for money and we consider this to be a significant weakness.



Financial sustainability

The Council has a ten-year Medium Term Financial Strategy (MTFS). Annual budget setting reflects the impact of key expenditure drivers, such as population changes, pay and other inflationary pressures. As part of the process in 2022-23 budgets were reviewed and changes made to adjust for pressures, new initiatives, expected cost increases and income changes. The 2022-23 expenditure outturn position was £10.231m against an expected £11.213m. Waste, homelessness/temporary accommodation and the Local Plan continue to have significant financial implications for the Council. General Fund Reserves balance on 31 March 2023 was £8.611m compared with £7.661m at the same time in 2022. General Fund working balances were set at £1.25m.

The Council has a Savings and Transformation Strategy, monitored at Cabinet as part of the MTFS report. A transformation approach to savings is needed by the Council as it will struggle to find the more savings by taking its traditional approach. In February 2023, an updated copy of the Strategy was presented to Cabinet, it included the need to save £1.9m, of which £1.7m must be made by 31 March 2028 plus the £200k from back-office savings by April 2024.

Once the new Corporate Plan is in place the Council needs to ensure spending reflects its priorities, particularly discretionary services but also explore the level which statutory services are funded to realise possible savings.

We make two improvement recommendations set out on pages 13-14.



Executive summary



Governance

The Council reviews its Risk Management Strategy annually with the last review agreed in January 2023. It outlines responsibility for risk. It is complemented by a risk management guidance document setting out what risk is, how to identify a risk, assess and evaluate it, escalate risk determine risk proximity, risk profile, allocate risk, and risk monitoring. The guidance also outlines the risk register template, a risk assessment form and how to determine likelihood. We see this as guidance as good practice. However, we identified improvements to risk in the 2020-21 AAR and again in 2021-22 saying the Strategic Risk Register could be improved to include direction of travel, sources of risk and assurance, dates of last and next review and we recommended a training module for all staff be developed. We find these issues are still outstanding.

Budgets are discussed with budget holders, senior leadership and Members prior to approval at Council level. But the budget process does not include consultation with the public and this is an area the Council may want to address. Without service data and effective performance management it is unclear how the Council can effectively plan to make £2m savings with limited experience of strategic transformation. This means that performance information, including good quality service data and benchmarking, is more even important to aid effective decision-making. We recommendation that the Council fully integrates performance and financial reporting for revenue and capital to improve financial reporting

We have made two improvement recommendations set out on pages 18-19.



Improving economy, efficiency and effectiveness

In 2022-23, the Council lacked a performance management framework. The Corporate Plan was being developed during 2022-23 and multiple service strategies were in place which meant there was no compelling narrative and no suite of KPIs being reported to Cabinet. There is no golden thread through the Council and no benchmarking. A lack of a performance framework meant the Council was reactive to challenges, rather than proactively forward planning or anticipating issues before they emerged. The lack of performance management during 2022-23 means the Council could not use performance data to drive improvement or achieve value for money. Without integrated reporting the Council risks not focusing spend on its priorities to deliver improvement. The Council has not yet looked at levels of delivery for statutory services and recognises it needs to plan this work as long-term financial constraints impacts its financial sustainability. The Council needs a strategic approach to assess required service levels, but this relies on effective performance data. Partnership items are regularly reported to Cabinet but given the lack of effective performance management the delivery of outcomes by those partnerships is not actively managed.

The Council's Procurement Strategy is dated 2017 and requires updating, as we recommended in both the 2020-21 and 2021-22 AARs. The Council lacks an intelligent client function for procurement and contract management. It has no specialist trained officer to lead procurement and contract management or ensure regular training is provided to members and officers. The Council's contract standing orders (CSOs) in the constitution are out of date and there is evidence the CSOs are not complied with. The Council has a legal duty to secure value for money and social value in commissioning and procurement.

We find that the Council's arrangements for performance management and procurement and contract management are both significant weaknesses and raise two key recommendations (see pages 6 and 7).

Please note that our report covers budgeted figures for both 2022-23 and 2023-24 as the 2023-24 budget is developed and approved in 2022-23. We are also mindful of the fact that our 2021-22 Auditor's Annual Report (AAR) was issued 6 months ago and the Council has not had a full year to implement the recommendations made in our prior year AAR.

Key recommendations



Improving economy, efficiency and effectiveness

- Key recommendation 1** The Council needs to improve its performance management arrangements by:
- Using the reset Corporate Plan to establish a golden thread for the Council, by creating a performance management framework at corporate and service levels linking outcomes to expected annual measures to track success and report these to the public;
 - Developing annual delivery plans aligned with the Corporate Plan and reduce the number of service specific strategies to ensure the golden thread is in place;
 - Agreeing performance outcomes, that can be measured, at least annually as part of the new performance management framework;
 - Ensuring performance reporting include targets, RAG rating, and actual measures and benchmarking. Reports should use previous year and 'nearest neighbours' data where possible; integrating performance, risk and finance reporting to drive improvement;
 - Ensuring the Cabinet receives quarterly performance reports to enable it to hold officers to account;
 - Using performance and financial data and benchmarking to look at delivery levels of statutory services to ensure the Council is achieving value for money;
 - Ensuring that the new performance management framework and reporting extends to key contracts such as waste and leisure;
 - Developing a strategic approach to assessing the levels of statutory services needed to save money;
 - Engaging with hard-to-reach customers to ensure they can still access services given the Council's digital by default approach;
 - Ensuring partnership performance management, including outcomes, is reported regularly to Cabinet; and
 - Engaging key stakeholders, where appropriate, to determine local priorities for resources or opportunities for savings.

Why/Impact

The Council needs to ensure it is delivering its corporate strategy and without a framework in place, underpinned by effective performance management and data, it will not understand required improvements or have a golden thread to enable officers to understand how they contribute to corporate delivery or identify savings and achieve value for money. The lack of performance management during 2022-23 means the Council could not use performance data to drive improvement or achieve value for money. Without a blended approach between finance and performance the Council could reduce spending in the wrong areas.

Auditor judgement

The Council's arrangements for performance management is not adequate.

Summary findings

We raised performance management as an improvement recommendation in the AAR for both 2020-21 and 2021-22. In 2022-23 the Council still lacked a performance framework meaning it was reactive to challenge, rather than proactively forward planning or anticipating issues before they emerged. Cabinet members cannot hold officers to account for performance if reporting is lacking. Performance benchmarking is not built into the Council's arrangements. While the Council recognises it needs to look at levels of delivery for statutory services given long-term financial constraints impact on its financial sustainability, this relies on effective performance data.

Key recommendations



Improving economy, efficiency and effectiveness

Key recommendation 1 Following both this review and a Peer Challenge undertaken during 2022/23 a range of KPI's have been introduced and, since the start of 2023/24, are presented to Members of Overview and Scrutiny Committee and the three Scrutiny Select Committees at quarterly intervals after their review by Management Team.

Management comments

Management agrees that KPIs should also be formally shared with Cabinet and it is intended that they will now be introduced to Cabinet agendas as well as making them a standard regular item on all service management teams. The range of information captured and reported will also be reviewed and refined over the coming months.

Management acknowledges, and agrees with, the recommendation about a 'golden thread'. The need for greater focus of resources towards 'Policy and Performance' is also recognised to act as the 'golden thread' between finance and performance across the organisation and to enable officers to understand how they could contribute to corporate delivery or identify savings and achieve value for money.

Benchmarking information is already in use in some service areas (e.g. treasury management and recycling) and is reported to relevant Committees to aid review of performance, but more generally work is already underway to look at a wider range of benchmarking information which can be used to inform areas for transformation and value for money assessments. It is expected that this will be developed over the next 12 to 18 months.

In terms of engagement with residents, a consultation was undertaken to inform the development of the new Corporate Strategy and assess local priorities. Management will liaise further with Cabinet about further engagement with residents on resources and options for savings

Key recommendations



Improving economy, efficiency and effectiveness

| | |
|-----------------------------|--|
| Key recommendation 2 | <p>The Council needs to improve its procurement and contract management arrangement by:</p> <ul style="list-style-type: none"> • Updating its procurement strategy; • Ensuring the contracts register is monitored, kept up to date and used by all services; • Ensuring it fully meets the Local Government (Transparency Requirements) (England) Regulations 2015 legislation; • Having a suitably trained client lead for procurement and contract management; • Provide training for officers and members on procurement and contract management to enable them to fully understand their responsibilities for social value and value for money; and • Ensuring the Council's shared arrangements for fraud also include procurement and contract management. |
| Why/Impact | <p>The Council has an important responsibility to ensure that procurement and contract management arrangements maximise the use of public finances, that value for money is achieved, and procurement delivers strategic priorities.</p> |
| Auditor judgement | <p>The Council's arrangements for procurement and contract management are not adequate to ensure it is achieving value for money.</p> |
| Summary findings | <p>We raised an improvement recommendation to update the Council's Procurement Strategy in the 2020-21 and 2021-22 AARs. The Strategy is dated 2017 and needs to consider changes over the last six years including the Procurement Bill, Brexit, the National Procurement Policy Statement June 2021 and the LGA national procurement framework from 2018 that was updated in 2022. The Council lacks an intelligent client function for procurement and contract management. It has no specialist trained officer to lead procurement and contract management or ensure regular training is provided to members and officers, instead it has a procurement group and assigns responsibility to each service. The Council's contract standing orders (CSOs) in the constitution are out of date following the procurement changes since Brexit and need updating and communicating through the organisation. The Council has a legal duty to secure value for money and social value in commissioning and procurement.</p> |
| Management comments | <p>Management Team acknowledges that updating of the procurement strategy has been an outstanding matter for some time. The Council does not have its own procurement resource and has relied on a working group of officers from across the Council to discuss and deliver procurement priorities and monitor/update the contracts register. For the letting of significant contracts, the Council has always sought professional assistance externally, but it acknowledged that a lack of 'in house' expertise in this discipline has led to a lack of progress.</p> <p>We are now having discussions with another Local Authority with a view to developing a SLA for both the review and revision of the Procurement Strategy along with a named officer for day to day professional advice who could also sit on the Procurement working group. In order to bolster the profile and importance of the procurement function, the Procurement working group will now be chaired by a member of Management Team. Appropriate training for both officers and Members will be developed by the group over the next few months.</p> <p>With regard to the risk of fraud within procurement, the Council's SLA with Kent County Council's Internal Audit and Fraud team does already cover this activity. Procurement fraud awareness training will be offered to procurement leads during 23/24 and a rolling programme will be established.</p> |

The range of recommendations that external auditors can make is explained in Appendix B.

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

We bring the following matters to your attention:

Opinion on the financial statements

Auditors are required to express an opinion on the financial statements that states whether the accounts: present a true and fair view of the Council's financial position; and have been prepared in accordance with the CIPFA/LASAAC Code of Practice on local authority accounting in the United Kingdom 2021-22.

Our work on the audit of the Council's 2022-23 financial statements is in progress.

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not issue any statutory recommendations in 2022-23.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue any public interest report in 2022-23.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make any application to the Court in 2022-23.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure;
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notice in 2022-23.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not apply for any judicial review in 2022-23.

Securing economy, efficiency and effectiveness in the Council's use of resources

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. The Council's responsibilities are set out in Appendix A.

Councils 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's Auditor Guidance Note (AGN) 03, 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).



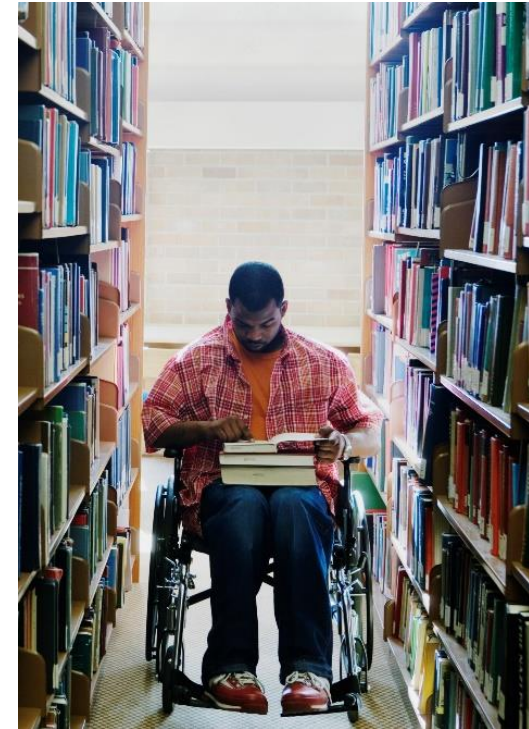
Governance

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



Our commentary on the Council's arrangements in each of these three areas, is set out on pages 10 to 21.

Financial sustainability



We considered how the Council:

- identifies all the significant financial pressures that are relevant to its short and medium term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- 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
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans

How the Council ensures that it identifies all the significant financial pressures that are relevant to its short- and medium-term plans and builds them into its plans

The Council has a ten-year Medium Term Financial Strategy (MTFS). Annual budget setting reflects the impact of key expenditure drivers, such as population changes, pay and other inflationary pressures. As part of the process in 2022-23 budgets were reviewed and changes made to adjust for pressures, new initiatives, expected cost increases and income changes. Waste, homelessness including temporary accommodation, and the Local Plan continue to have significant financial implications for the Council.

In 2022-23 the annual funding settlement was again for one-year creating challenges for financial planning. It included an allocation of £1.19m for New Homes Bonus (NHB) and a one-off Services Grant to cover national insurance increases. The funding decrease on 2021-22 was £0.4m which represented a reduction of 7.6%. The council tax increase in 2022-23 was £5 or 2.3%, taking Band D council tax to £224.50 for district council services. The council tax base in 2022-23 was 52,247 Band D equivalent properties, an increase of 1.7% from 2021-22.

The 2022-23 outturn position was £10.231m spend against an expected £11.213m, but waste, homelessness/temporary accommodation and the Local Plan continue to have significant financial implications for the Council. In June 2023 Cabinet was advised the contribution to the General Revenue Reserve was £949,685, some £432,835 more than the £516,850 previously estimated. The variance was attributed to above profile performance on investment returns due to interest rate rises and improved income from planning application fees, garden waste and car parking.

General Fund reserve balance on 31 March 2023 was £8.611m compared with £7.661m at the same time in 2022. General Fund working balances were set at £1.25m. Plans to use reserves to fund budget deficits in the short term is not of immediate concern but should be monitored closely.

The Section 25 statement, for agreement of the annual budget and precept, reported to Cabinet on 14 February 2022 references the reserve levels,

confirming they are adequate and that external impacts on the budget have been considered.

Financial plans are discussed at Council, Cabinet and Finance, Overview & Scrutiny Committee, and Regeneration & Property Scrutiny Committee. The Council has a history of transparency in financial matters.

How the body plans to bridge its funding gaps and identifies achievable savings

In 2022-23 Cabinet instructed the Corporate Management Team (CMT) to implement an “Essential Spend Only” ethos again to assist in containing in-year budget pressures. In-year pressures included a £0.249m contribution under the utility cost sharing agreement for the Leisure Trust and support on the Waste Contract with increases in HGV driver costs.

The Council has a Savings and Transformation Strategy that provides structure and direction to address the financial challenges it faces. The Strategy will be delivered in four tranches commencing 2022-23. The Council has a history of delivering savings, delivering over £3.8m of savings in the last seven years. Savings delivery is monitored at Cabinet as part of the regular MTFS report. A transformation approach to savings is important going forward as the Council will struggle to find the savings it needs by taking its traditional approach. **We make an improvement recommendation to develop a transformation programme related to cost savings for the medium to long-term (see page 13).**

In February 2022, an updated copy of the Savings and Transformation Strategy was presented to Cabinet, it included the need to save £2.15m, of which £1.5m must be ‘bridged’ in the next 3 years to protect the Council’s financial integrity. In February 2021, the projected gap was £0.475m. The increase to £2.15m was caused by waste management, the Local Plan costs, and temporary housing plus inflationary pressures. Added to this gap is £0.2m from the scaled back of office accommodation, giving £2.35m to find and deliver over the medium-term.

Financial sustainability

Of the four tranches in the Savings and Transformation Strategy, by February 2023 full tranche 1 savings of £0.35m were achieved and the funding gap reduced to £1.7m to be delivered in three further tranches: tranche 2 – £0.5m by April 2024; tranche 3 – £0.60m by April 2025; and tranche 4 – £0.60m by April 2028. Plus, the scaling back of office accommodation to save £0.2m by April 2024.

The Savings and Transformation Strategy presented to Cabinet on 14 February 2023, lacks explicit detail and alternatives to consider, with no identified option appraisals. Going forward, as savings become more challenging to deliver, it will be important to develop early ideas for savings/transformation with budget holders and present these to a Members' challenge board to enable early engagement with key stakeholders and to allow Members to see options with associated impact of savings on residents. We address this improvement in the transformation recommendation on page 13.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

Financial planning in the Council does not demonstrate a clear understanding of the cost of delivering core statutory services as distinct from discretionary areas of spend and we make an improvement recommendation to address this on page 13.

In 2022-23 the Council lacked an effective corporate strategy, but we recognise it was being addressed through development and consultation during 2022-23 and was agreed by Council on 22 July 2023. The one-page list of priorities in place from 2020-23 identified finance, climate change and sustainable growth as key priorities, but climate change activities are not costed in the MTFS.

Now the Corporate Plan is in place the Council needs to ensure spending reflects its priorities, particularly discretionary services but also explore the level which statutory services are funded to realise possible savings. **We include the need to link priorities and spending in our improvement recommendation on the development of a transformation programme on page 13.**

There is extensive internal consultation to ensure the annual budget meets the needs of the services provided, ensuring that key services remain funded. **However, financial plans are not discussed with wider stakeholders through an annual consultation exercise, and we make an improvement recommendation to address this on page 13.** We found no evidence of the need to curtail services to support short term funding deficits, but this may be required as savings become more difficult to find.

The Council has the necessary resources for financial management including a financial system able to provide timely financial information, the necessary financial skills, experience and capacity

in the finance team and budget holders in the services, and clearly defined responsibilities for budget management. Corporate Management and Members challenge performance, holding budget holders to account, and making decisive interventions where and when necessary. The finance team is well-established with significant experience of managing the Council's finances. We feel the Council has a positive financial culture and an appropriate 'tone from the top' set by the Chief Executive – the ongoing management of the Council's financial position over recent years is evidence of this.

Budget holders receive monthly budget reports. The onus is on budget holders to raise any issues with finance on an exception basis, rather than regular meetings being held. Any variances of £5,000 and above must be reported to the Director of Finance and Transformation. Finance carries out independent review of significant elements of the budget such as salaries and income to maintain oversight of the financial position.

How the body ensures that 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

In June 2022 a new Workforce Strategy was agreed in line with LGA CPC recommendations. This is a 1-year strategy and given the need for additional capacity in performance, transformation, procurement and contract management and the programme office this needs planning over a long-term time horizon and be fully costed. **We make an improvement recommendation to develop a long-term term and costed Workforce Strategy on page 14.**

The Council has a Capital Plan and has adopted a Capital Strategy and capital planning process which are regularly reviewed to reflect changing circumstances. The capital outturn in 2022-23, net of grants, was £0.784m against a budget provision of £1.567m.

In addition to funding for the replacement of assets which deliver services and recurring capital expenditure, there is now an annual capital allowance for all other capital expenditure. Any 'bids' for capital schemes or discretionary capital grants are to be assessed in the context of the annual capital allowance. Priority is given to those schemes that generate income or reduce costs. The annual capital allowance is currently set at £0.25m.

The Council is risk adverse and debt-free, expected to remain debt free until 2029, and does not seek to invest in commercial assets. The capital programme largely consists of maintenance and improvement items and contains no major schemes. The capital programme is overseen by Cabinet, while projects are subject to a detailed appraisal and approval process.

The Capital budget sets out revenue impacts. There is an annual contribution to the revenue reserve for capital schemes to match the funding required for the replacement of existing assets (vehicles, plant and

Financial sustainability

equipment) and recurring capital expenditure. The contribution in 2022-23 is £0.908m.

A Treasury Management & Annual Investment Strategy is in place and reported to Council annually. The Council uses external advisors Link Asset Services, to ensure risk is managed. There is an appropriate balance between mitigating risk and optimising opportunities, and the Council has set out the appropriate level of reserves to maintain, as well as the opportunity cost of holding reserves.

How the body identifies and manages risks to financial resilience, such as unplanned changes in demand and assumptions underlying its plans

The Council identified the risk of not balancing the budget as a red risk in the latest Strategic Risk Register (SRR). Ways in which the Council is managing this risk include the regular budget monitoring and scrutiny, the Savings and Transformation Strategy, the MTFS and use of reserves. A list of financial risks is included in budget papers sent to Members when setting the Council's annual budget, but these are not aligned with the SRR risk references. **We address this issue in the risk improvement recommendation on page 18.**



Improvement recommendations



Financial sustainability

Improvement recommendation 1

The Council should develop a transformation programme to enable it to reduce spend by looking at different ways of delivering services or by enabling others in its systems leadership role. It needs to:

- Use the Corporate Plan reset to identify its budget priorities and reset the budget;
- Develop an understanding of the cost of delivering its core statutory services and discretionary spend where it meets clear political priorities;
- Identify ways to deliver for less and identify activity that can stop where it does not contribute to statutory services or to Corporate Plan priorities;
- Consult on changes to services and future spending plans with the public and include public engagement annually as part of business planning;
- Ensure it has transformation and programme management skills in place to manage the programme, lead change and explore new ways of working;
- Introduce service user testing, when making service changes as part of prototyping, to ensure groups are not adversely impacted by changes to delivery for example digital by default; and
- Develop early ideas for savings with budget holders and present these to a Members' challenge board to enable early engagement with key stakeholders and to allow Members to see options and the impact of savings on residents.

Why/Impact

The Council has traditionally found the savings it requires but the scale of savings required going forward calls for a more transformative approach to achieve value for money and maintain effective services.

Auditor judgement

The Council will not be able to achieve future savings using historic approaches and a more transformational model will be needed to help ensure financial sustainability while achieving value for money and outcomes for residents.

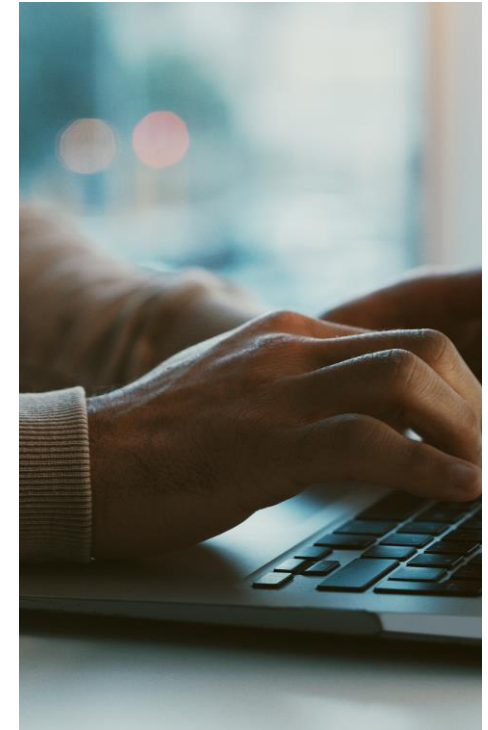
Summary findings

The Council has a Savings and Transformation Strategy and a history of delivering savings, but a transformation programme would help it to deliver future savings whilst effectively considering value for money.

Management comments

A Management Team/Cabinet LGA Development Day is being arranged for October, themed around transformation. It will look at development of the transformation programme and subsequently the resource requirement.

As part of the budgetary process for the Revised Estimate for 2023/24 and Forward Estimates for 2024/25 Services are asked to identify whether services provided were mandatory or discretionary to help develop an overall understanding of cost and priorities.

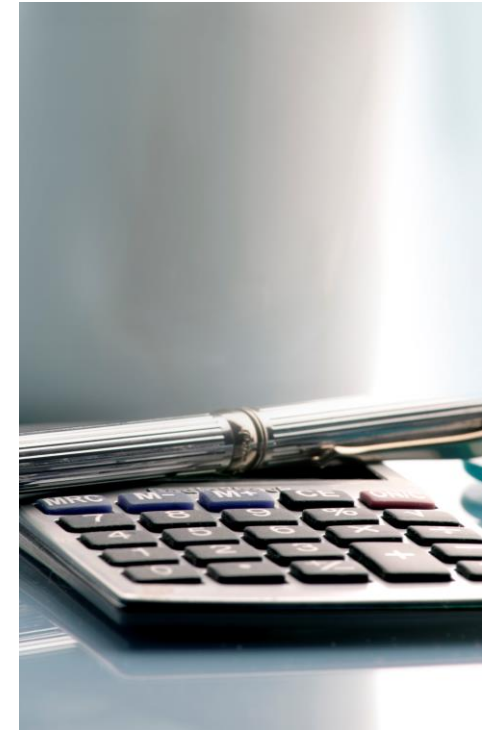


Improvement recommendations



Financial sustainability

| | |
|-------------------------------------|--|
| Improvement recommendation 2 | Improve the Workforce Strategy to include fully costed strategy over the medium to long-term. |
| Why/Impact | Costing the workforce requirements over the medium to long term will enable finance to build assumptions into the MTFS and ensure the Council has the right blend of skills for the future. |
| Auditor judgement | Developing a costed strategy will enable the Council to plan its future workforce requirements and build in medium-to long-term assumptions for budget planning. |
| Summary findings | In June 2022, a new Workforce Strategy was agreed in line with LGA CPC recommendations. This is a 1-year strategy and given the need for additional capacity in performance, transformation, procurement and contract management and the programme office this needs planning over a long-term time horizon and be fully costed. |
| Management comments | Future revisions of the Workforce strategy will include medium-term impacts requiring reviews of service delivery, succession planning, resilience as well as financial costing. |



The range of recommendations that external auditors can make is explained in Appendix B.

Governance



We considered how the Council:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/Audit Committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services

How the body monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Council adopted a Risk Management Strategy in February 2022 and agreed a revision in January 2023. It outlines responsibility for risk. It is complemented by a risk management guidance document setting out what risk is, how to identify a risk, assess and evaluate it, escalate risk determine risk proximity, risk profile, allocate risk, and risk monitoring. The guidance also outlines the risk register template, a risk assessment form and how to determine likelihood – we view this guidance to be good practice.

Any risk evaluated as ‘High Risk’ (score of 15 or above) is deemed by the Council to be beyond ‘risk tolerance’ and to have exceeded its ‘risk appetite’ and is escalated immediately. Such risks should be added to the service’s risk register and discussed in the Service Management Team (SMT) to inform a decision as to whether this should be escalated to Corporate Management Team (CMT).

CMT then considers whether to add the risk to the Strategic Risk Register (SRR). The SRR is a critical tool for the Council to capture and report on risk activity and their risk profile. The Council reviews its SRR quarterly. Each team is meant to discuss service risks at weekly meetings, and we have verified that this takes place with the finance team. There is also an element of internal peer challenge on risk.

While we found good practice in this area, we did identify improvements to the Council’s approach to risk management in our 2020-21 and 2021-22 Auditor’s Annual Reports (AAR). We set out how the SRR could be improved by including direction of travel, sources of risk and assurance, and dates of last and next review. We also recommended a training module for all staff be developed to raise awareness of risk. We find these recommendations are still outstanding.

In 2022-23 we have identified additional risk management improvements. The SRR should set out relevant key controls and assurances for each risk, include a direction of travel and have a single named owner. We expect to see the original risk score and likelihood scores after initial mitigation, current risk scores and target risk scores. It would be useful to identify issues, risk and impact separately.

Dates in the SRR mainly start from 2017 and mitigation actions/narrative does not make clear subsequent updates, making scrutiny difficult for Members. The Audit Committee receives the SRR for comment at each meeting, but a quarterly update would be helpful for Cabinet, integrated with reporting on performance and finance.

The Council needs to improve its committee reports to enable risk management and reference strategic risks and their scores and impact in all Council reports. This would also facilitate Member challenge on risk.

We make an improvement recommendation concerning risk management on page 18.

Internal audit (IA) is provided by Kent County Council and the IA team reports into finance on a monthly basis. IA also leads on the Council’s risk management and fraud activities. During 2022-23 the IA team had a vacancy for a Principal IT Auditor. Council pay grades proved insufficient to attract a permanent in-house specialist IT Auditor and this has led to further delay to the Cyber Security and IT Infrastructure audits. However, this post was filled in 2022/23 and the Cyber Security and IT infrastructure reviews completed receiving substantial assurance.

Governance

The most recent IA external quality assessment was undertaken in February to March 2021 and an improvement plan developed. The IA annual internal self-assessment against the Public Sector Internal Audit Standards was conducted in December 2022. It recommended eight improvements of which six were actioned in 2022-23. The two remaining actions in July 2023 were to identify a mechanism to review and provide assurance on fraud activity and have regular private meetings with the Chair of the Audit Committee and CAE/Audit and Assurance Manager.

In July 2023, the Audit Committee endorsed the opinion on the effectiveness of the IA function in place for 2022-23 as 'Good' with 92% of the audit plan completed. Of the 63 audit recommendations due for implementation in 2022-23 a fifth are still open, a slight increase of four percentage points from 2021-22. The Audit Committee also approved the 2022-23 Annual Governance Statement (AGS). The AGS is supported by signed Assurance Statements provided by CMT members including the three statutory officers.

The Council takes part in the National Fraud Initiative (NFI), which comprises of a nationwide data matching exercise comparing Council data to other council and third-party datasets. In 2022-23 the Counter Fraud Team delivered activity on the biennial data matches received in the 2021-22 exercise. This led to £151,815 in additional council tax being identified due to changes in discounts and exemptions being either removed or adjusted from council tax accounts. The delay was due to the diversion of resources to support due diligence checks on Covid grant payments made through 2020 to 2022.

The Council continues to benefit from the Kent Intelligence Network, a partnership led by Kent County Council, in place since September 2016. This partnership prevents and detects fraud, reduces risk profiles and supports fraud professionals locally. In 2022-23 it helped identify £0.639m of additional liability across Kent.

The Fraud team has delivered awareness training to Council staff in Revenues and Benefits and Human Resources (HR). HR has written to staff asking them to declare second jobs. The Fraud team also received 112 fraud referrals in 2022-23 mostly related to council tax and benefits.

How the body approaches and carries out its annual budget setting process

The Council's annual budget setting process is described in the Financial sustainability section of this report, [pages 10-12](#). The Council's budget position is categorised as 'red' on the SRR. Budgets are discussed with budget holders, senior leadership and Members prior to approval at Council level. The budget process starts in August with a finance review of staffing. Budget working papers are circulated to budget holders in September and work their way to the management team for approval in November. When the settlement is received in December required adjustments are made and the budget goes to Members in January and February going through Cabinet to Council for approval. We found that there is no budget consultation with the public and this is one areas where the Council may want to address.

How the body ensures effective processes and systems are in place to ensure budgetary control

During 2022-23 Cabinet and the Finance, Regeneration and Property Scrutiny Committee reviewed updates on the Council's financial position including the budget and savings position. These reports included reasons for variances and risks to budgets.

There is no evidence of serious and pervasive weaknesses in final accounts processes leading to material errors in draft accounts, failure to meet statutory reporting deadlines or a modified opinion on the financial statements. **Financial performance is a key objective the Council, but performance management is a significant weakness and requires improvement - see key recommendation concerning performance management (see page 6), identified as part of our work on the 3Es, refer to page 20 for detail.**

By understanding the performance of services managers will get better budgetary control.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency

In 2022-23 the Council lacked a performance framework meaning it was reactive to challenge, rather than proactively forward planning or anticipating issues before they emerged. However, the Council has had limited need to transform and restructure but is now faced with a more significant budget gap for 2023-24 which will require transformation capacity and skills. The Council recognises the coming years will be challenging if sustainable and transformative solutions are not identified.

Without service data and effective performance management it is unclear how the Council can effectively plan to make £2m savings with limited experience of strategic transformation. This means that performance information, including good quality service data and benchmarking, is more even important to aid effective decision-making. **We recommendation the Council fully integrates performance and financial reporting for revenue and capital to improve financial reporting (see page 19).** The Leader is keen to increase the pace of change and bring fresh ideas. This leadership style creates an opportunity for the whole Council to innovate and look at how it could do things differently.

The Local Government Association (LGA) is the national membership body for local authorities working on behalf of member councils to support, promote and improve local government. In February 2022, the LGA corporate peer review team identified the Council lacked a shared strategic vision, with no strong sense of priorities being reflected in conversations with a wide range of different stakeholders. There were separate strategies for different parts of the Council but no overarching plan with key priorities. Performance reporting was fragmented during 2022-23 with no corporate overview to allow competing issues or challenges to be proactively evaluated against.

Governance

each other. While we recognise the Council developed its Corporate Plan during 2022-23 (agreed at Council in July 2023), we raise a key recommendation concerning performance management (see page 6), identified as part of our work on the 3Es, refer to [page 20](#) for detail.

The Council uses complaints data in its services to improve but it does not have a corporate resident satisfaction measures and does not have an annual survey or budget consultation with the public. The LGA report identifies that in delivering digital by default, some customers were finding it increasingly difficult to engage with the Council and further analysis of the impact on service provision and customer interaction should be undertaken.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour

During 2022-23 IA reviewed arrangements for Member declarations of interest / expenses allocation. This audit looked at arrangements for Members and staff and was concluded to have substantial assurance. We have not identified any non-compliance with the Constitution, statutory requirements or expected standards of behaviour. We have not been made aware of any data breaches at the Council.



Improvement recommendations



Governance

Improvement recommendation 3

The Council needs to improve risk management by:

- Improving the format of the Strategic Risk Register (SRR) to add for each risk: key controls and assurances; direction of travel; a single named owner; the original risk score and likelihood scores after initial mitigation; current risk scores and target risk scores; and provide updated mitigation quarterly. It would be useful to identify issues, risk and impact separately;
- Updating the SRR format to align with our proposed SRR changes;
- Reviewing the SRR risks to ensure they have the right actions and are unique risks;
- Reporting the SRR quarterly to Cabinet alongside performance and finance;
- Improving committee reports to facilitate good risk management, referencing strategic risks and their scores and impact in all Council reports; and
- Developing training for members and staff to raise awareness of risk and responsibilities.

Why/Impact

Effective risk management enables councils to: improve governance, confidence and trust; set strategy and plans through informed decision-making; evaluate options and deliver programmes, projects, and policy initiatives; prioritise and manage resources, manage performance, resources and assets; and achieve outcomes.

Auditor judgement

While we found some good practice in relation to risk, we also found areas of risk management that need improvement.

Summary findings

Areas of risk management that need improvement relate particularly to the SRR format, member scrutiny and challenge on risk management, and reporting risk to Members in committee reports.

Management comments

Some changes have already been made to the SRR to indicate direction of travel and further changes will be made over the next few months. In the light of both last year's recommendation and an internal audit report (which contained similar recommendations) Zurich, the Council's insurers, are being asked to review the Risk Management Strategy, formats of risk registers and risk training for new employees.



Improvement recommendations



Governance

Improvement recommendation 4

The Council needs to fully integrate performance and financial reporting for revenue and capital to improve financial reporting.

Why/Impact

Members need to have information that enables them to hold officers to account and challenge performance.

Auditor judgement

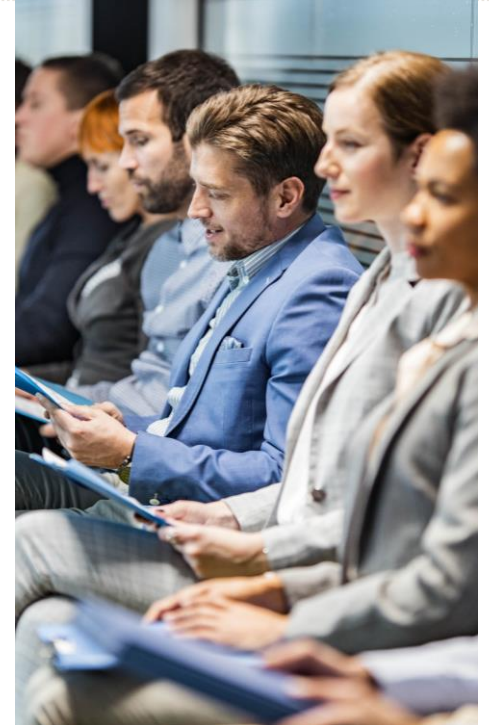
The Council needs to fully integrate financial and performance reporting including workforce information (such as interim spend, vacancy rates and sickness data) once it has addressed the recommendations on performance management.

Summary findings

Revenue reporting is at an appropriate level with clear commentary of the current position, but service and workforce information is not integrated into financial reports.

Management comments

Management response to follow



The range of recommendations that external auditors can make is explained in Appendix B.

Improving economy, efficiency and effectiveness



We considered how the Council:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- 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
- where it commissions or procures services assesses whether it is realising the expected benefits

How financial and performance information has been used to assess performance to identify areas for improvement

It is recommended by the LGA that councils have a Corporate Peer Review every five years which makes recommendations for improvement. The Council had their review in January 2022 and agreed an action plan. One action was to develop a compelling narrative as part of a new Corporate Plan. The draft Corporate Plan went to Overview and Scrutiny Committee in November 2022 and was shared for comment with staff and the public.

As part of the Corporate Plan review the basket of key performance indicators (KPIs) were reviewed. However, at no point during 2022-23 were KPIs or a paper on performance management presented to the Cabinet despite their constitutional remit. This limits Cabinet's ability to have visibility and oversight of how the Council is performing against its responsibilities and aspirations. We have raised this twice already; in our 2020-21 and 2021-22 Auditor's Annual Reports (AAR) we recommended that Cabinet receives performance reports including benchmarking.

In March 2023, the three select committees (Communities and Environment, Finance, Regeneration and Property, and Housing and Planning) received initial KPI reports relevant for their services. Joining these up with reporting to Cabinet jointly with finance and risk will be important for 2023-24. Providing Cabinet with an integrated performance report would enable them to hold officers to account for the delivery of the Council's Corporate Plan. A lack of a performance framework in 2022-23 meant the Council was reactive to challenges, rather than proactively forward planning or anticipating issues before they emerged.

How the body evaluates the services it provides to assess performance and identify areas for improvement

Lack of performance management arrangements during 2022-23 meant the Council was reactive to challenges rather than proactively forward planning or anticipating issues before they emerged, and the Council was not able to use performance data to drive improvement or achieve value for money. Without integrated reporting the Council risks not focusing spend on priorities to deliver improvement.

The Council has not yet looked at levels of delivery for statutory services and recognises it needs to plan this work as long-term financial constraints impact financial sustainability. The Council needs a strategic approach to assess required service levels, but this relies on effective performance data.

In 2021-22 we recommended that the Council should re-introduce the benchmarking practices used pre-pandemic, to see how other councils provide services, with a view to introducing best practice and providing best value for money. We understand that plans are in place to introduce benchmarking in 2023-24 in line with the LGA action plan.

The Council has a long-term strategic approach to finance as demonstrated by its ten-year MTFS but given the lack of performance management arrangements and the short-term local government settlements, it is unclear how meaningful assumptions are in respect of future funding streams.

We consider the Council's performance management arrangements to be a significant weakness and make a key recommendation on page 6.

Improving economy, efficiency and effectiveness

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified

The Council delivers its waste collection service through a contract with Urbaser Ltd and its parent company Urbaser SAU that commenced in September 2019 with a value of around £121.34m. This is a joint contract with Tunbridge Wells Borough Council. Performance of this contract is reported regularly to members.

In the 2021-22 AAR we noted that waste collection performance improved in 2022. However, contract performance was impacted in 2021-22 and in 2022-23 by the nationwide shortage of HGV drivers, as a result the garden waste service was suspended during part of 2022. From late 2019 to November 2022 the contractor did not deliver recycling services for 2,500 households living in communal blocks. This service was introduced from November 2022. Instead, these customers had to travel to 'bring sites' to recycle.

In 2022 the contractor proposed an enhanced pay rate to improve performance by reducing reliance on agency staff and attracting permanent drivers. From May to October 2022 the two councils provided financial assistance towards the enhanced pay rate to a value of £178,897 split between the two councils, which helped to recruit and retain drivers. The pressures in the market continued, and the partnership provided further support from November 2022 to 31 March 2023. The Council contributed £770,000 to that support, funded from the Budget Stabilisation Reserve. It also made a one-off contribution to the contractor of £150,000 towards the costs of terminating some existing collection vehicle leases to facilitate a new fleet of collection vehicles in 2023-24. This was also funded from the Budget Stabilisation Reserve. A Voluntary Ex-Ante Transparency Notice was published due to the contract variation with Urbaser Ltd and Urbaser SAU to support with the enhanced pay for the HGV drivers.

Key performance indicators reported to Community and Environment Scrutiny Select Committee in June 2023 still show performance concerns with the waste contract including 100% of missed bin collections not completed on time and growing complaints about street cleaning. Some of the data collection systems are still not in place meaning the Council can not effectively hold the contractor to account for all its service level agreements.

Partnership items are regularly reported to Cabinet but given the lack of effective performance management the delivery of outcomes by those partnerships is not actively managed. We address this in our key recommendation on page 6.

Where the body commissions or procures services, how the body assesses whether it is realising the expected benefits

The Council's Procurement Strategy is dated 2017 and it needs updating, as we recommended in both the 2020-21 and 2021-22 AARs, to consider changes over the last six years including the Procurement Bill, Brexit, the National Procurement Policy Statement in June 2021, and the LGA national procurement framework from 2018 that was updated in 2022. The Council lacks an intelligent client function for procurement and contract management. It has no specialist officer to lead procurement and contract management or ensure regular training is provided to Members and officers, instead it has a procurement group and assigns responsibility to each service. The Council's contract standing orders (CSOs) in the constitution are out of date following the procurement changes since Brexit and need bringing up-to-date and communicating. These changes need referencing in the new strategy.

The Council has a legal duty to secure value for money and social value in commissioning and procurement and a duty to manage its contracts effectively. It also has a duty to prevent fraud and corruption.

The lack of effective procurement and contract management in the Council is a significant weakness and we make a key recommendation on page 7 of this report.

The Council has a Leisure Trust, established in 2013. It is an important contract for the Council and there is evidence they work together to share costs and reduce future energy impacts. However, **there is a lack of effective scrutiny around how leisure services link to the health improvement and wellbeing of residents in the Borough, with more of a focus on how the contract is performing financially. This is part of the wider key recommendation on performance management on page 6 of the report.**

Follow-up of previous recommendations

| | Recommendation | Type of recommendation | Date raised | Progress to date – management comment | Addressed? | Further action required? |
|---|--|------------------------|---------------|--|------------|--|
| 1 | <p>Consideration should be given to improving the risk management process:</p> <ul style="list-style-type: none"> a) consider providing additional information in the Strategic Risk Register (SRR), including direction of travel, sources of risk and assurance, and dates of last and next review. b) develop a training module for all staff to raise awareness of risk across the organisation. | Improvement | December 2022 | Some future review dates are now included in the SRR, but direction of travel, assurance, and previous dates are not. Training is not in place, and we make a further improvement recommendation concerning risk management. | No | Yes, refer to improvement recommendation 3 |
| 2 | <p>The Council should consider the following improvements to its performance management framework:</p> <ul style="list-style-type: none"> a) report a suite of key performance indicators to Cabinet every six months. b) re-introduce the benchmarking practices used pre-pandemic to see how other councils provide services, with a view to introducing best practice and providing value for money. c) the Procurement Strategy should be refreshed, informed by the National Procurement Strategy toolkit. | Improvement | December 2022 | Cabinet still does not receive performance reports. Benchmarking is not introduced in 2022-23 but plans are in place to introduce for 2023-24 in line with the LGA action plan. The Procurement Strategy is not updated. | No | Yes , refer to key recommendation 1 |

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.

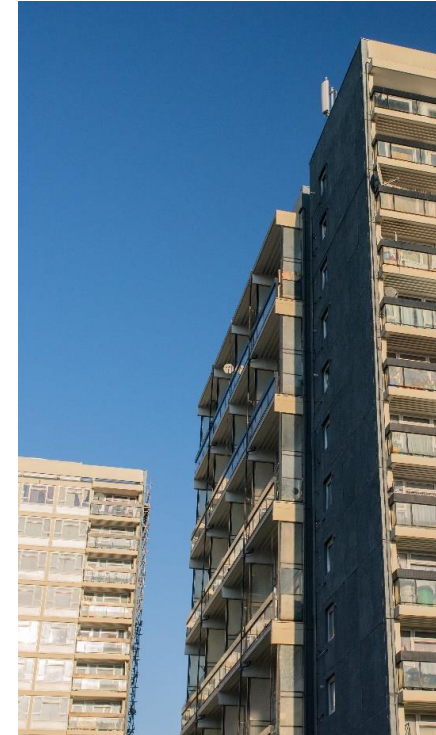
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records 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 Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) 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 – An explanatory note on recommendations

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

| Type of recommendation | Background | Raised within this report | Page reference |
|------------------------|---|---------------------------|-------------------------|
| Statutory | Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. | No | N/A |
| Key | The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as ‘key recommendations’. | Yes | Pages 6 and 7 |
| Improvement | These recommendations, if implemented should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council’s arrangements. | Yes | Pages 13, 14 and 18, 19 |

