

Brighton & Hove City Council

Audit & Standards Committee

Agenda Item 50

Subject: Auditor's Annual (Value For Money) Report Year ending 31 March 2021

Date of meeting: 19 April 2022

Report of: Grant Thornton (External Audit)

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

Appendix 1: Auditor's Annual (Value For Money) Report Year ending 31 March 2021

- 1.1 The external auditor's (Grant Thornton's) annual report for the year ending 31 March 2021 reports on the council's value for money arrangements for the 2020/21 financial year. The report is attached at **Appendix 1**.
- 1.2 Under revised arrangements for reviewing Value for Money, local authority external auditors are required to consider whether an authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (i.e. for securing value for money). The report reviews this under three categories which are: financial sustainability, governance and improving economy, efficiency and effectiveness. Appendix B of the report (An Explanatory note on the recommendations) at Appendix 1 sets out three types of recommendations that can be made by the external auditors in this report which are:
 - i. **Statutory** – written recommendations to which the council is required to discuss and respond publicly to the report;
 - ii. **Key** – recommendations where significant weaknesses have been identified, and;
 - iii. **Improvement** – recommendations which are not a result of identifying significant weaknesses.
- 1.3 For all three categories, the risk assessments for the council were “no risks of significant weakness identified” and the overall conclusion was “no significant weaknesses in arrangements identified, but improvement recommendations made”. There are 8 improvement recommendations made which are generally accepted and to which officers (management) have provided responses as detailed in Appendix 1.

2. Recommendations

- 2.1 That the Audit & Standards Committee notes the auditor's annual (Value For Money) report for the financial year ending 31 March 2021.

3. Context and background information

- 3.1 This is set out in summary in section 1 of this report and in detail in Appendix 1. The annual Value for Money review is a statutory requirement for local authorities.

4. Analysis and consideration of alternative options

- 4.1 Not applicable.

5. Community engagement and consultation

- 5.1 Members of the public are able to raise value for money questions and concerns with the external auditor for their consideration.

6. Conclusion

- 6.1 This report and appendix are for noting.

7. Financial implications

- 7.1 There are no direct financial implications arising from this report.

Finance officer consulted: James Hengeveld Date consulted: 06/04/2022

8. Legal implications

- 8.1 The Local Audit and Accountability Act 2014 makes it a requirement that the council's external auditors consider whether the council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (securing value for money). This committee is the appropriate body for the consideration of this report by elected members of the council.

Lawyer consulted: Victoria Simpson Date consulted: 06/04/2022

9. Equalities implications

- 9.1 There are none identified.

10. Sustainability implications

- 10.1 There are none identified.

11. Other Implications

- 11.1 There are none identified.

Supporting Documentation

Appendices

1. Auditor's Annual (Value For Money) Report Year ending 31 March 2021