



Coventry City Council

# Public report

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**Report to**

Audit and Procurement Committee

18 March 2024

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor R Brown

**Director approving submission of the report:**

Director of Finance and Resources

**Ward(s) affected:**

City Wide

**Title:**

Grant Thornton – Interim Auditor’s Annual Report on Coventry City Council 2022/23

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**Is this a key decision?**

No – this is a performance report

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**Executive summary:**

The purpose of this report is for the Council’s external auditor, Grant Thornton to provide Audit and Procurement Committee with a formal report on the Council’s arrangements for securing Economy, Efficiency and Effectiveness in its use of resources for the financial year 2022/23.

**Recommendation:**

Audit and Procurement Committee is recommended to:

- 1) Note the auditors Interim Annual Audit report for 2022/23 appended to this document, including the key and improvement recommendations contained within.

**List of Appendices included:**

Appendix - Grant Thornton – Interim Auditors Annual Report 2022/23

**Background papers:**

None

**Has it or will it be considered by scrutiny?**

No other scrutiny consideration other than the Audit and Procurement Committee

**Has it, or will it be considered by any other council committee, advisory panel or other body?**

No

**Will this report go to Council?**

No

**Report title:** Interim Auditor's Annual Report on Coventry City Council 2022/23

**1. Context (or background)**

- 1.1 In addition to the external audit of the statutory statement of accounts, the Council's external auditor are required, under the National Audit Office (NAO) Code of Audit Practice, to carry out an annual audit which tests arrangements that the Council has in place to ensure economy, efficiency and effectiveness in its use of resources.
- 1.2 The appendix sets out the Auditors report for 2022/23, including recommendations where they consider improvements may be made, plus a management response for each. It also presents progress on previously made recommendations.
- 1.3 The equivalent report for 2021/22 was considered and noted by this committee at its last meeting on 29 January 2024.

**2. Options considered and recommended proposal**

The appended report is an independent review of the Council's performance, and as such, there are no other options.

- 2.1 Auditors are required to prepare their report based on the following specified criteria:

Financial sustainability: how the Council plans and manages its resources to ensure it can continue to deliver its services.

Governance: how the Council ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness: how the Council uses information about its costs and performance to improve the way it manages and delivers its services.

- 2.2 The auditors report for the 2021/22 financial year was reported to this committee in January 2024, which assessed the Council as having no significant weaknesses in relation to its financial sustainability, or how it secures economy, efficiency and effectiveness. It did however reflect the delay around publishing of audited accounts as a single, but significant weakness under the governance criteria. This was included as a key recommendation.
- 2.3 A number of the improvement recommendations reflected in the 2021/22 report have now been resolved, with the remainder identified as 'in progress' within the 2022/23 report. It is expected that these will also be addressed prior to the next annual audit for 2023/24.
- 2.4 Grant Thornton have identified as part of the 2022/23 audit report appended, 3 new improvement recommendations which have been accepted, and a management response has been included in the document attached.

**3. Results of consultation undertaken**

- 3.1 None

**4. Timetable for implementing this decision**

- 4.1 This report is in line with normal reporting timelines

**5. Comment from the Director of Finance and Resources and the Director of Law and Governance**

**5.1 Financial Implications**

There are no direct financial implications of this report, however the Council's performance against NAO set criteria including financial sustainability are reflected in the appended external auditor's report.

**5.2 Legal implications**

None

**6. Other implications**

**6.1 How will this contribute to achievement of the Council's plan?**

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>)

One of the key priorities for the Council set out in the One Coventry Plan is to ensure continued financial sustainability of the Council. The external auditors' report for 2022/23 provides independent assurance that proper arrangements are in place to support the achievement of this objective.

**6.2 How is risk being managed?**

The external auditors' report for 2022/23 provides independent assurance that proper governance arrangements are in place to support the management of risk across the organisation.

**6.3 What is the impact on the organisation?**

No direct impact

**6.4 Equalities / EIA**

None

**6.5 Implications for (or impact on) Climate Change and the environment**

No direct impact

**6.6 Implications for partner organisations?**

No direct impact

**Report author:**

**Name and job title:**

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**Service:**

Finance and Resources

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<b>Names of approvers: (officers and members)</b>				
Barry Hastie	Director of Finance and Resources	-	26/02/2024	1/03/2024
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	05/03/2024	05/03/2024

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