Independent auditor's report to the members of Coventry City Council

Report on the Audit of the Financial Statements

Disclaimer of opinion

We were engaged to audit the financial statements of Coventry City Council (the ‘Authority’) and its subsidiaries (the ‘group’) for the year ended 31 March 2021, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund Statement and Notes, the Group Comprehensive Income and Expenditure Account, the Group Movement in Reserves Statement, the Group Balance Sheet and the Group Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The notes to the financial statements include the Overview of Main Financial Statements, Notes to the Main Financial Statements, Statement of Accounting Policies, Notes to the Collection Fund Statement, Overview of Group Accounts and Notes to the Group Accounts (Notes 4.6 to 4.15).The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21.

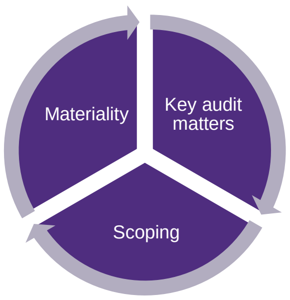
We do not express an opinion on the accompanying financial statements of the Authority or the group. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (‘the Regulations’) require the Authority to publish audited financial statements for the year ended 31 March 2021 by 13 December 2024 (‘the backstop date’). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. We have not been able to obtain sufficient appropriate audit evidence by the backstop date to conclude that the Authority’s and group’s financial statements for the year ended 31 March 2021 as a whole are free from material misstatement. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Authority to comply with the requirement in the Regulations that they publish audited financial statements for the year ended 31 March 2021 by the backstop date. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

Our approach to the audit

<table>
<tr><td rowspan="3">Grant Thornton


</td><td>Overview of our audit approach

Financial statements audit</td></tr>
<tr><td>Overall materiality

Group: £12,200,000, which represented 1.5% of the group’s gross expenditure;

Authority: £12,000,000, which represented 1.5% of the Authority’s gross expenditure.</td></tr>
<tr><td>Key audit matters for both the Group and Authority were identified as:

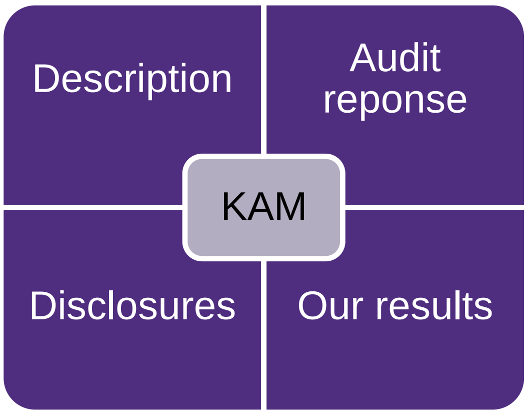
- Valuation of Land and Buildings and Investment Properties (Same as previous year)
- Valuation of Pension Fund Net Liability (Same as previous year)
- Group Accounting (Same as previous year) and valuation of Long-Term Investments in Companies (New this year).</td></tr>
</table>

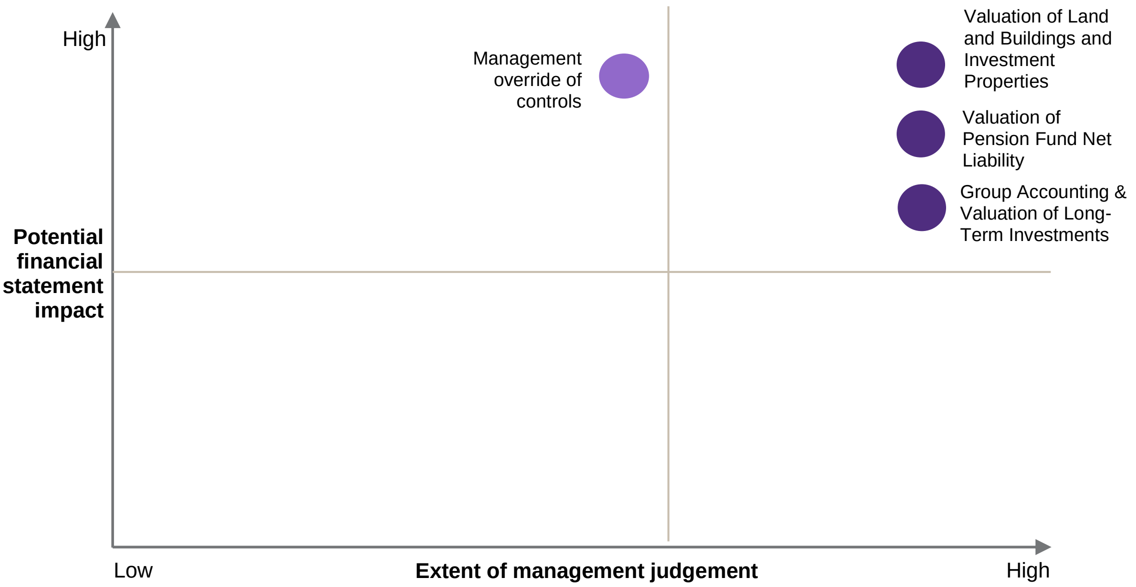
	Our auditor's report for the year ended 31 March 2020 included one key audit matter that has not been reported as a key audit matter in our current year's report. This relates to the valuation of Other Land and Buildings – UK Battery Industrialisation Centre Limited, for which the accounting treatment issues were resolved in the prior year.
	Value for money arrangements We are required to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021. Our approach to this work is set out in the 'Report on other legal and regulatory requirements –the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources' section of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group and Authority's financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.





	Key audit matter		**Significant risk**		**Other risk**

Key Audit Matter - Group and Authority	How our scope addressed the matter - Group and Authority
Valuation of Land and Buildings and investment properties	

Land and Buildings:

We identified the valuation of land and buildings as one of the most significant assessed risks of material misstatement due to error.

The Authority revalues its other land and buildings as a minimum on a rolling five-yearly basis with interim reviews. If the value of an asset class is projected to materially change during the period since the last valuation, then further valuations are instructed.

These valuations represent a significant estimate by management in the financial statements due to the size of the balance involved (£551.473m as at 31 March 2021), and the sensitivity of this estimate to changes in key assumptions.

In addition, the Authority has instructed an external valuation expert to conduct these valuations for 2020/21. Previously the Authority has used internal valuation experts. Changes in valuers can mean changes in estimation technique and assumptions employed, and this adds further complexity to the audit of the valuations.

Within the other group entities, further material land and buildings are held. Under FRS 102, (the accounting basis on which the other group entities prepare their financial statements) these assets are held at depreciated historical cost. In the preparation of the group accounts, the Authority is therefore required to obtain a valuation compliant with the IFRS-based CIPFA Code and make appropriate consolidation adjustments for the asset balance and revaluation movements.

In addition to these complexities, the audit of the 2019/20 accounts identified material errors in this area which were adjusted for by the Authority.

Relevant disclosures in the Statement of Accounts for the year ended 31 March 2021

- Accounting Policy: Note 5.7, Accounting Policies - Property, Plant & Equipment, Investment Property and Assets Held for Sale.
- Financial statements: Note 3.15, Property, plant and equipment and Note 3.19 Revaluations of Property, Plant and Equipment.
- Narrative Report: Note 1.2, Asset Valuations

In responding to the key audit matter, we performed the following audit procedures but were not finalised:

- Risk assessment procedures carried out on valuations and on assets that were not valued in the year including documenting an understanding of the related processes and controls, walking through controls;
- Assessing the competence, experience and capability of management's expert;
- Obtaining valuation reports;
- Analysing movements since the last valuation and comparing this to expected movements;
- Challenging management on the value of assets that were not revalued in year;
- Engaging with our expert to evaluate the instructions sent by management to the valuer, the valuation report issued by the valuer and assist with the testing of the reasonableness of assumptions underpinning valuations; and
- Selecting a sample of high risk valuations and testing the underlying assumptions and accounting.

We identified the following matters. Adjustments in the 2020/21 accounts but have not been audited:

- Historic cost depreciation – a £380m adjustment was required in the 2019/20 accounts to reduce both the gross book value and accumulated depreciation of property, plant and equipment. There was no impact on the net book value (the value on balance sheet). This related to a historic error dating back to 2011/12 when the Authority upgraded its ledger system.
- Changes in valuation methodology – the Authority instructed a new valuer for its 2020/21 property valuations. We noted that the new valuer applied different valuation methodology to the previous valuer for five assets. We found that the previous valuations were not carried out on an appropriate basis, and adjustments were made in the 2019/20 accounts to property, plant and equipment. Adjustments were made, including: a prior period adjustment to the opening balance at 1 April 2018 of £6.5m, a prior period adjustment to the closing balance at 31 March 2019 of £6.5m, and an adjustment to the closing balance at 31 March 2020 of £6.3m.

Investment Property:

We identified the valuation of investment property as one of the most significant assessed risks of material misstatement due to error.

The Council hold a range of investment properties which comprise of commercial units, office units, agricultural assets, residential and other assets. These assets are included in the balance sheet at fair value. Up until the 2019/20 year, the Council revalued around 80% of its assets each year. The remaining assets not valued were subject to review to ensure that there has been no material changes. We have previously reported that to be compliant with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, the Authority should instead value 100% of assets at the balance sheet date. In 2020/21, the Authority adopted a new policy of valuing 100% of its investment properties annually.

These valuations represent a significant estimate by management in the financial statements due to the size of the balances involved (£317.073m as at 31 March 2021), and the sensitivity of this estimate to changes in key assumptions.

In addition, the Authority has instructed an external valuation expert to conduct these valuations for 2020/21. Previously the Authority has used internal valuation experts. Changes in valuers can mean changes in estimation technique and assumptions employed, and this adds further complexity to the audit of the valuations

In addition to these issues, the audit of the 2019/20 accounts identified material errors in this area which were adjusted for by the Authority.

Relevant disclosures in the Statement of Accounts for the year ended 31 March 2021

- Accounting Policy: Note 5.5 Changes in Accounting Policies – Investment Property Valuations and note 5.7 - Accounting Policies - Property, Plant & Equipment, Investment Property and Assets Held for Sale.
- Financial statements: Note 3.17 Non-Operational Assets.
- Narrative Report: Note 1.2, Asset Valuations

In responding to the key audit matter, we performed the following audit procedures but were not finalised:

- Risk assessment procedures carried out on valuations and on assets that were not valued in the year including documenting an understanding of the related processes and controls, walking through controls;
- Assessing the competence, experience and capability of management's expert;
- Obtaining valuation reports;
- Analysing movements since the last valuation and comparing this to expected movements;
- Challenging management on the value of assets that were not revalued in year;
- Engaging with our expert to evaluate the instructions sent by management to the valuer, the valuation report issued by the valuer and assist with the testing of the reasonableness of assumptions underpinning valuations; and
- Selecting a sample of high risk valuations and testing the underlying assumptions and accounting.

We identified the following matters. Adjustments in the 2020/21 accounts but have not been audited:

Errors in non-operational asset valuation- There were errors in 2019/20 noted on five non-operational assets following a review of valuation movements from 2019/20 compared with 2020/21. These errors related to: inaccurate lease data used within the valuation; incomplete site size / not all units included in the valuation; and incorrect reversionary rents used by the valuers. The errors led to a prior period adjustment in the 2019/20 accounts to the opening balance at 1 April 2018 of £3.8m; a prior period adjustment to the closing balance at 31 March 2019 of £6.4m; and an adjustment to the closing balance at 31 March 2020 of £8.3m.

Group Accounting and Valuation of Long-Term Investments

Over recent years, the Authority has increased the number and value of interests it has in associated companies.

In its single-entity accounts, the Authority has elected to report the value of these long-term investments at the balance sheet date at Fair Value. This is allowable under the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21, which permits either Fair Value accounting or historical cost accounting. The Fair Value method requires a valuation of each company at the balance sheet date. The Authority instructs external experts to determine appropriate valuations.

The valuation of long-term investments is considered a significant estimate due to the size of the balance involved (£98.562m at 31 March 2021) and the sensitivity of the estimate to changes in key assumptions.

For the group accounts, the Authority is required to assess the level of control or significant influence it has over its company interests and apply the appropriate accounting treatment. For companies where the Authority has control, these are consolidated into the group accounts line-by-line; for entities where there is joint control or significant influence, the interest is accounted for using the equity method. The Authority has both types of interest.

Group accounting has further complexities where the accounting policies, accounting frameworks and year-end dates are different to those of the group. This is the case for the majority of the Authority's interests. The Authority must apply adjustments to the financial information reported by the group entities prior to inclusion in the group accounts.

In addition to these issues, the audit of the 2019/20 accounts identified material errors in group accounting which were adjusted for by the Authority.

We therefore identified valuation of the Authority's long-term investments; and the accounting for the group as a significant risk, which was one of the most significant assessed risks of material misstatement due to error.

Relevant disclosures in the Statement of Accounts for the year ended 31 March 2021

- Accounting Policy: Note 5.7 - Accounting Policies – Investments; Financial Assets Measured at Fair Value; and Group Accounts
- Financial statements: Note 3.21 Long Term Investments; note 3.34 Financial Instruments; note 3.35 Associated Company Interests and Holdings; and notes 4.1 to 4.15 Group Accounts.
- Narrative Report: Note 1.2, Locally Committed; The Council's Financial Performance – Revenue Position and COVID-10; and The Council's Financial Performance – Capital

In responding to the key audit matter, we performed the following audit procedures but were not finalised:

- Holding discussions with management as they prepared the group accounts, obtaining valuation reports for investments in companies;
- Engaging auditor experts to review valuations of long term investments, specifically in Birmingham Airport Holdings and the Coventry and Solihull Waste Disposal Company, including the underlying assumptions and source data used; and
- Testing the entries in the preliminary accounts to valuation reports. Considering the rationale for a nil valuation of UKBIC.

Valuation of Pension Fund Net Liability

We identified the valuation of the Pension Fund Net Liability as one of the most significant assessed risks of material misstatement due to error.

The pension fund net liability, as reflected in the balance sheets of both the Council and group as the "net pension liability", represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to the size of the balance involved (£742.911m at 31 March 2021) and the sensitivity of the estimate to changes in key assumptions.

Relevant disclosures in the Statement of Accounts for the year ended 31 March 2021

- Accounting Policy: Note 5.7 - Accounting Policies - Employee Benefits - Post-Employment Benefits – Pensions
- Financial statements: Note 3.31 - Retirement Benefits.
- Narrative report: Note 1.2 - Pensions Accounting; March 2024 Update

In responding to the key audit matter, we performed the following audit procedures but were not finalised:

- Risk assessment procedures were carried out on the pension liability valuation, including documenting an understanding of the related processes and controls, walking through controls;
- Assessing the competence, experience and capability of management's expert, obtaining actuarial reports;
- Requesting assurances from the auditor of the Pension Fund;
- Agreeing the pension disclosures in the preliminary accounts to the actuary reports;
- Testing the upfront payment made to the pension fund and related disclosures, comparing assumptions used by the actuary to those recommended by our expert; and
- Comparing figures to expectations we had developed.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

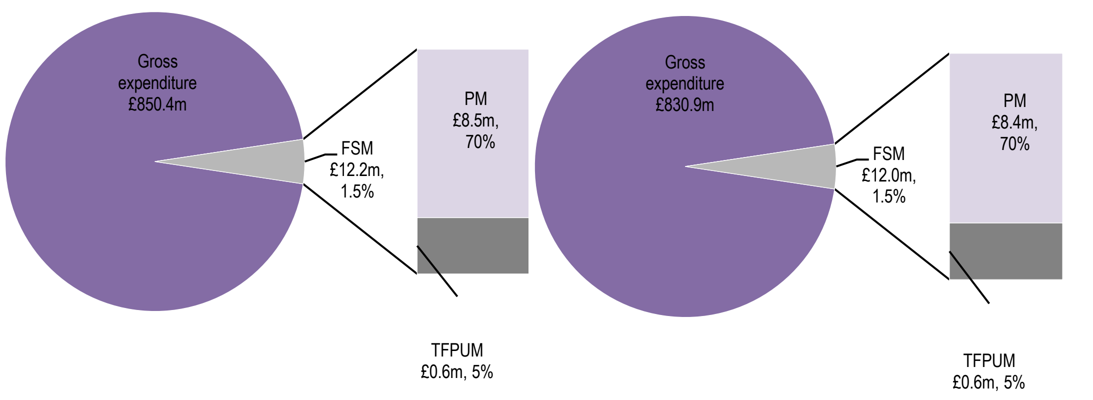
Materiality was determined as follows:

Materiality measure	Group	Authority
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	Overall materiality has been set at £12,200,000, which represented 1.5% of the group's gross expenditure;	Overall materiality has been set at £12,000,000, which represented 1.5% of the Authority's gross expenditure;
Significant judgements made by auditor in determining the materiality	The determination of materiality involves the exercise of professional judgement. In determining materiality, we made the following significant judgements: • regarding selection of an appropriate benchmark, we determined gross expenditure to be most appropriate as the group's performance, including the Authority as the most significant component of the group, is assessed based on its spend;	The determination of materiality involves the exercise of professional judgement. In determining materiality, we made the following significant judgements: • regarding selection of an appropriate benchmark, we determined gross expenditure to be most appropriate as the Authority's performance is assessed based on its spend; • regarding selection of an appropriate percentage to apply to that benchmark we

Materiality measure	Group	Authority
	• regarding selection of an appropriate percentage to apply to that benchmark we considered the heightened public interest in the group including the Authority which is a Public Interest Entity. Materiality for the current year in percentage terms, is the same as the level we determined for the year ended 31 March 2020. In '£' terms, materiality is lower than the level that we determined for the year ended 31 March 2020 due to audit adjustments in 2019/20.	considered the heightened public interest in the Authority which is a Public Interest Entity. Materiality for the current year in percentage terms, is the same as the level we determined for the year ended 31 March 2020. In '£' terms, materiality is lower than the level that we determined for the year ended 31 March 2020 due to audit adjustments in 2019/20.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	Performance materiality for the year has been set at £8,540,000, which is 70% of financial statement materiality.	Performance materiality for the year has been set at £8,400,000, which is 70% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	The determination of performance materiality involves the exercise of professional judgement. In determining performance materiality, we considered the number and value of errors identified in the prior year.	The determination of performance materiality involves the exercise of professional judgement. In determining performance materiality, we considered the number and value of errors identified in the prior year.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Communication of misstatements to the Audit and Procurement Committee	We determine a threshold for reporting unadjusted differences to the Audit and Procurement Committee.	
Threshold for communication	£600,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£600,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group | Overall materiality – Authority



FSM: Financial statements materiality, PM: Performance materiality, TFPUM: Tolerance for potential uncorrected misstatements

An overview of the scope of our audit

We planned a risk-based audit that requires an understanding of the group's and the Authority's business. The audit was planned based on preliminary figures for the Authority and was based on prior year figures for the group components. The audit plan was not updated following issuing of the draft accounts, and therefore the planned audit procedures may not address all risks that the audit team would have included in the scope of the audit had this update been completed. Our preliminary audit plan considered particular matters related to:

- Gaining an understanding of and evaluating the Authority's internal controls environment including its financial and IT systems and controls.
- Evaluation of identified components of the group to assess the significance of each component and to determine the planned audit response based on a measure of materiality and significance of the component as a percentage of the group's total income, assets and liabilities. A full scope, targeted or analytical approach was planned for each component based on their relative materiality to the group and our assessment of audit risk.
- Full scope audit procedures were planned for the Authority, the only financially significant component in the group. The Authority's transactions represent 95% of the group's income and 94% of its total assets.
- Specified audit procedures were planned for The Coventry and Solihull Waste Disposal Company Limited, Tom White Waste Limited, UK Battery Industrialisation Centre Ltd, and Friargate JV Project Limited.
- Analytical procedures on the other non-significant components in the group accounts were planned: Coombe Abbey Park Limited, Coventry North Regeneration Limited, North Coventry Holdings Limited.

Understanding the group, the Authority, and its other components, and their environments, including group-wide controls

- The engagement team obtained an understanding of the Authority, the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group and Authority only level. This was completed to support the production of our audit plan but was not updated following the issue of the draft accounts and is therefore incomplete.

Identifying significant components

- The engagement team evaluated the identified components to assess their significance and determined the planned audit response based on a measure of materiality. This evaluation was based on information available at a point in time and was not updated following issuing of the draft accounts and is therefore incomplete.

Other information we are required to report on by exception under the Code of Audit Practice

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with ‘delivering good governance in Local Government Framework 2016 Edition’ published by CIPFA and SOLACE 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.

Opinion on other matters required by the Code of Audit Practice

The Director of Finance and Resources is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Authority and group’s financial statements and our auditor’s report thereon. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources, whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority, the Director of Finance and Resources, and Those Charged with Governance for the financial statements

As explained in the Statement of Responsibilities set out in note 1.3, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance and Resources. The Director of Finance and Resources is responsible for the preparation of the Statement of Accounts, which includes 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 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance and Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance and Resources is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority and the group will no longer be provided.

The Audit and Procurement Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority and group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Authority and group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matter described in the basis for disclaimer of opinion section of our report.

Other matters which we are required to address

We were appointed by Public Sector Audit Appointments Ltd in December 2017 to audit the financial statements for the year ending 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement is twelve years, covering the years ending 31 March 2012 to 31 March 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Authority and the group and we remain independent of the Authority and the group in conducting our audit.

We have provided the following services in addition to the audit, to the Authority and its subsidiaries since 1 April 2020 that have not been disclosed separately in the Statement of Accounts:

- agreed-upon procedures in relation to the Housing Benefit Subsidy Claim and the Teachers' Pension return;
- agreed-upon procedures in relation to follow up work requested by the DWP on the Housing Subsidy Claim; and

- agreed-upon procedures of Innovate UK funding in relation to the UK Battery Industrialisation Centre.

Our audit opinion is consistent with the additional report to the Audit and Procurement Committee.

Report on other legal and regulatory requirements – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing 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.

Auditor’s responsibilities for the review of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor’s Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Coventry City Council for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature:

Mark C Stocks, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

Date: