



Coventry City Council

Public report

Report to

Audit and Procurement Committee

29 January 2025

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 2023/24

Is this a key decision?

No – this is a performance report

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 2023/24.

Recommendations:

Audit and Procurement Committee is recommended to:

- 1) Note the auditors Interim Annual Audit report for 2023/24 appended to this document, including the key and improvement recommendations contained within.

List of Appendices included:

Appendix - Grant Thornton – Interim Auditors Annual Report 2023/24

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 2023/24

1. Context (or background)

- 1.1 In addition to the external audit of the statutory statement of accounts, the Councils 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 2023/24, 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 2022/23 was considered and noted by this committee at its meeting on 18 March 2024.

2. Options considered and recommended proposal

The appended report is an independent review of the Councils 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 2022/23 financial year was reported to this committee in March 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 report on the delays around publishing of audited accounts as a single, but significant weakness under the governance criteria. A single 'key' recommendation was made on this matter, requiring the Council to continue to address historic issues that have resulted in delays to the publication of Statement of Accounts. As we are still in the process of addressing this matter, this key recommendation has been carried forward to the 23/24 audit recommendations.
- 2.3 The Government have set out deadlines (or 'backstops') for all Council's to meet regarding publication of accounts. For financial years up to and including 2022/23, this was December 2024, and for 2023/24, February 2025. Coventry has addressed the key weaknesses identified by Grant Thornton as the causal factors in the delay of 2019/20 accounts, and made the necessary improvements in the process of completing prior year accounts for 2020/21, 2021/22, and 2022/23, the disclaimed opinions for which were reported to this Committee in November 2024, such that the required (December) backstop date was achieved.
- 2.4 2023/24 accounts have also been produced in draft form by the end of November 2024, and Grant Thornton have been in the process of auditing these since December 2024. The

results of their audit work will be the subject of a report from them to this Committee next month, February 2025, facilitating the achievement of the Government backstop date.

2.5 A number of the other improvement recommendations reflected in the 2022/23 report have also now been resolved, with a small number identified as 'in progress' within the 2023/24 report. It is expected that these will also be addressed prior to the next annual audit for 2024/25.

2.6 Grant Thornton have identified as part of the 2023/24 audit report appended, 4 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 & 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 2023/24 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 2023/24 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

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