

A close-up photograph of a person's hand holding a white marker, pointing at a bar chart displayed on a tablet screen. The chart features several horizontal bars in shades of green, brown, and red. The background is dark, and the lighting is focused on the hand and the tablet.

Huntingdonshire District Council **Auditor's Annual Report**

Year ended 31 March 2024

12 March 2025



Corporate Governance Committee
Huntingdonshire District Council
Pathfinder House
St Mary's Street
Huntingdon
PE29 3TN

12 March 2025

Dear Corporate Governance Committee Members

2023/24 Auditor's Annual Report

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Huntingdonshire District Council. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2023/24.

This report is intended to draw to the attention of the Council to any relevant issues arising from our work. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Corporate Governance Committee meeting on 25 March 2025.

Yours faithfully

Claire Mellons

Partner

For and on behalf of Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website ([Statement of responsibilities of auditors and audited bodies \(from 2023/24 audits\) - PSAA](#)). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Corporate Governance Committee and management of Huntingdonshire District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to Corporate Governance Committee and management of Huntingdonshire District Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than Corporate Governance Committee and management of Huntingdonshire District Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Executive Summary



Executive Summary

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year and the value for money commentary, including confirmation of the opinion given on the financial statements; and, by exception, reference to any reporting by the auditor using their powers under the Local Audit and Accountability Act 2014. In doing so, we comply with the requirements of the 2024 Code of Audit Practice (the Code) published in November 2024 and the supporting guidance of the National Audit Office (NAO) published within their Auditor Guidance Note 3 (AGN 03). This commentary aims to draw to the attention of the Council and the wider public relevant issues from our work including recommendations arising in the current year and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

The 2024 Code paragraph 4.10 has suspended the requirement to issue an auditor's annual report by 30 November. It states that auditors may exercise judgement to determine when to issue their annual report including their commentary on arrangements to secure value for money.

Responsibilities of the appointed auditor

We have undertaken our 2023/24 audit work in accordance with the Audit Plan that we issued on 9 July 2024. We have complied with the NAO's 2024 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- the 2023/24 financial statements;
- conclusions relation to going concern; and
- the consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Council;
- any significant matters or written recommendations that are in the public interest; and
- if we identify a significant weakness in the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Council

The Council is responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (continued)

2023/24 Conclusions

<p>Financial statements</p>	<p>The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 required any outstanding accountability statements for years ended 31 March 2015 to 31 March 2023 to be approved not later than 13 December 2024 and the accountability statements for the year ended 31 March 2024 to be approved not later than 28 February 2025 ('the backstop date').</p> <p>The audit of the financial statements for the year ended 31 March 2023 for Huntingdonshire District Council was not completed for the reasons set out in our disclaimer of opinion on those financial statements dated 28 November 2024.</p> <p>Our planned audit work in the current year was focused on transactions in the year and the current year balance sheet.</p> <p>Due to delays in the previous year's audit, we did not have the required resource available and have been unable to complete our audit procedures on other service expenses (23/24 £17.3m, 22/23 £14.3m); transfer & grant payments (23/24 £3.1m, 22/23 £2.8m); support service recharges (23/24 £1.3m, 22/23 £6m), levies (23/24 £2m, 22/23 £11.5m), short-term creditors (23/24 £19.7m, 22/23 £25.6m), long-term debtors (23/24 £2.5m, 22/23 £5.1m), provisions (23/24 £2m, 22/23 £1.2m), and journals processed during the year.</p> <p>As a result of the disclaimer of opinion in the prior year and the backstop date, we also do not have sufficient appropriate audit evidence over the following:</p> <ul style="list-style-type: none"> • in the balance sheet and accompanying notes: the opening balances, closing reserves position and the valuation of property assets held at valuation included in 'other land and buildings' that were not revalued in year. • in the comprehensive income and expenditure account and accompanying notes: comparatives and income and expenditure transactions that are impacted by the opening balances shown in the prior year balance sheet • in the cash flow statement and accompanying notes: opening balances, comparatives and in-year cash flow movements that are calculated <p>We therefore issued a disclaimed 2023/24 audit opinion on 26 February 2025.</p>
<p>Going concern</p>	<p>Because of the disclaimed audit opinion, we did not conclude on whether the Corporate Director of Finance and Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</p>
<p>Consistency of the other information published with the financial statements</p>	<p>Because of the disclaimed audit opinion, we did not conclude on whether financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.</p>

Executive Summary (continued)

2023/24 Conclusions (continued)

Value for money (VFM)	We have identified a significant weakness in the VFM arrangements for governance. We have included our VFM commentary in Section 03.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Council.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of Government Accounts	We have completed our procedures on the Whole of Government Accounts submission to the NAO and have no matters to report.
Certificate	<p>We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Huntingdonshire District Council.</p> <p>Until we have completed these procedures, we are unable to certify that we have completed the audit of the financial statements in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.</p>

Executive Summary (continued)

Value for Money

Scope

As auditors, we are required to be satisfied that Huntingdonshire District Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Council committee reports;
- meetings with the Corporate Director of Finance & Resources;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Council management and the finance team.

Executive Summary (continued)

Value for Money (continued)


Reporting

Our commentary for 2023/24 is set in section 03. The commentary on these pages summarises our understanding of the arrangements at the Council based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2023/24. We include within the VFM commentary the associated recommendation we have agreed with the Council.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2022/23 Interim Value for Money Report and have been updated for 2023/24.

In accordance with the NAO's 2024 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures and whether we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	An independent external review of the internal audit function raised concerns in relation to independence and objectivity; ethics and professionalism, governance, risk management and control processes; engagement workpapers and supervision; and engagement communication.	Significant weakness identified in respect of: <ul style="list-style-type: none"> - how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud; - how the Council 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; and - how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.
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	No significant risks identified	No significant weakness identified



Executive Summary (continued)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

[EY UK 2024 Transparency Report | EY - UK](#)



02 Audit of the financial statements

Audit of the financial statements

Key findings

The Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

On 26 February 2025, we issued a disclaimed audit opinion on the financial statements. We reported our audit scope, risks identified and detailed findings to the 29 January 2025 Corporate Governance Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit in relation to the significant risk areas. The findings for each of the accounts areas are set out in the Audit Results Report in Appendix A. We reported one internal control recommendation and area for improvement in the control environment in the Audit Results Report.

Significant risk	Conclusion
Misstatements due to fraud or error - Management override of controls	<p>We did not identify any instances of inappropriate judgements being applied, or of any management bias in accounting estimates.</p> <p>We did not identify any transactions which appeared unusual or outside the normal course of business.</p> <p>Due to the proximity to the backstop date in concluding our audit, we were not able to fully execute our journal testing strategy. As a result, we did not have assurance over the journals processed for the year.</p>
Misstatements due to fraud or error - capitalisation of revenue expenditure	<p>The samples tested for Property, Plant and Equipment ('PPE') and Investment Property ('IP') additions in 2023/24 did not identify any instances of incorrect capitalisation.</p> <p>For the samples tested for Revenue Expenditure Funded by Capital Under Statute, we identified a projected overstatement of £0.1m error in relation to VAT elements of an invoice being incorrectly capitalised. We reported this as an unadjusted difference in our final Audit Results Report.</p>
Valuation of land and buildings, and investment property	<p>Included within Surplus assets was item of land, with a value of £2.9m, which was incorrectly classified as surplus assets instead of other land and buildings. Furthermore, when valued as other land and buildings instead of surplus assets, the valuation was overstated by £0.15 million. These errors were adjusted in the final version of the financial statements</p> <p>We also identified an overstatement of £0.37 million in the valuation of one item of investment property which was adjusted in the financial statements.</p> <p>Other than the matters noted above, we did not identify any issues regarding the valuation of land and buildings and investment property.</p>



03

Value for Money Commentary

Value for Money Commentary

Financial Sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

The Council is required to have arrangements in place to ensure proper resource management and the primary responsibility for these arrangements, and reporting on the design and operation of these arrangements via the Annual Governance Statement, rests with Management. In accordance with the NAO's Code of Audit Practice the focus of our work should be on the arrangements that the Council is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements to secure financial sustainability.

The General Fund revenue outturn position was an underspend of £1.657 million against the revised budget of £23.949 million. There were net underspends on services mainly relating to the Corporate Resources directorate of £2.1 million and the Chief Operating Officer of £0.817 million. The net overspends on services mainly related to the Head of Operations directorate of £0.940 million and the Head of Leisure and Health directorate of £0.275 million. The underspending in the Corporate Resources directorate was largely due to more income from interest received than budgeted. The underspend in the Chief Operating Officer directorate was largely due to government grants, increased taxi applications and court fees recovered, as well as savings from vacancies, shared roles and reduced cost of bad debts. The overspend in the Head of Operations directorate was largely due to subscription service costs charged to 2023/24 instead of 2024/25 and the loss of a revenue stream for street cleansing. In addition, expenditure in payroll related costs as well as agency staff costs increased. In the case of the Head of Leisure and Health directorate, the overspend was driven largely by increased maintenance, gas, contract, marketing and equipment costs.

Throughout the year, the Council continued to revisit and monitor financial plans to ensure they have sufficient resources to deliver services. The latest published financial information shows a balanced budget for the financial years 2024/25 to 2025/26. The Medium Term Financial Plan was reviewed and updated as part of the 2024/25 budget setting process to capture the 2023/24 outturn variations.

The Council no longer finds that the 15% of net expenditure was an appropriate basis for setting the minimum General Fund Reserve balance. Therefore, a fixed General Fund Reserve was agreed and set at £2.175 million by the Council's Section 151 Officer. At the 31 March 2024, the Council held its General Fund Reserve balance of £2.175 million and had further Earmarked General Fund reserves of £33.300 million, which provides a strong level of resource cover, if future savings are not identified or achieved in each of the 5 financial years of the Medium-Term Financial Strategy, allowing the Council to continue to deliver services.

The Council should continue to monitor its financial performance and continue to identify relevant schemes to achieve the annual savings requirements to minimise the use of Earmarked General Fund reserves, which are earmarked for specific priority matters, where possible.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2023/24 to enable it to plan and manage its resources to ensure that it can continue to deliver its services

Value for Money Commentary (continued)

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

Significant weakness identified

The Council is required to have arrangements in place to ensure proper risk management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the Annual Governance Statement, rests with management. In accordance with the NAO's Code of Audit Practice the focus of our work should be on the arrangements that the Council is expected to have in place during the year ended 31 March 2024. We identified one significant weakness in governance arrangements.

The Council have continued to manage governance considerations in response to the current challenges such as the conflict in Ukraine and the cost-of-living crisis, including in partnership working and delivery of services with other local authorities. The Council reviewed the Budget Setting Report and Medium-Term Financial Plan in February 2023, which were prepared on the basis of submissions from the Huntingdonshire Leadership Team and Budget Managers. Performance against the budget and Corporate Plan are then review quarterly to identify areas of risk and mitigation plans.

The Council's Annual Governance Statement sets out the core governance arrangements for the year, including an Action Plan, which demonstrates how the Council's Code of Governance reflects the seven principles of good governance. The Head of Internal Audit concluded that for the 2023/24 financial year, 'reasonable assurance' could be awarded over the adequacy and effectiveness of the Council's overall internal control environment.

As set out in our Audit Planning Report presented to the Corporate Governance Committee in July 2024, we were aware of gaps in the Internal Audit Provision in the 2023/24 financial year. Management also commissioned an external review of the Internal Audit function in May 2024 in preparation for an External Quality Assessment of the services, which raised several high and medium priority areas of concern in relation to the areas of independence & objectivity, ethics & professionalism, governance, risk management and control processes, engagement working papers and supervision, and engagement communication.

We considered each of the areas of concern and determined that, although the review was performed during 2024/25, the findings were relevant to 2023/24 and have assessed there to be a significant weakness in governance arrangements for 2023/24. The absence of an effective internal audit function, including an independent Head of Internal Audit, undermines the ability of the Council to evaluate the effectiveness of its risk management, control and governance processes as required by the Accounts and Audit Regulations 2015.

We do, however, recognise that since receiving this report in 2024 management have been proactive in addressing the areas of concern highlighted and reporting progress to the Corporate Governance Committee.

Value for Money Commentary (continued)

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

Significant weakness identified

Conclusion: This matters reported in relation to the effectiveness of the Internal Audit function are evidence of weaknesses in proper arrangements for governance, including how the Council ensures it makes informed decisions and properly manages its risk, specifically how the Council:

- monitors and assesses risk and gains assurance over the proper operation of controls
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including arrangements for effective challenge from those charged with governance/audit committee; and
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards

Recommendation: The Council should implement the action plan developed in response to the findings of the independent review of internal audit, within the agreed timeframes, and report progress to the Corporate Governance Committee.

Value for Money Commentary (continued)

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

No significant weakness identified

The Council is required to have arrangements in place to ensure economy, efficiency and effectiveness, and the responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement, rests with management. In accordance with the NAO's Code the focus of our work should be on the arrangements that the Council is expected to have in place during the year ended 31 March 2024. In 2023/24, we did not identify a risk of significant weakness in arrangements in place to ensure economy, efficiency and effectiveness.

The Council developed a Corporate Plan for 2023-2028, which was approved at the 21 March 2023 Cabinet meeting and the 29 March 2023 Council meeting. The Corporate Plan sets out key priorities and assigns key actions to be monitored against. These actions are updated each year as part of Cabinet review of the corporate plan.

Performance reporting is maintained against these key priorities, with regular reporting on performance and finances taken to the Cabinet throughout the year to continuously monitor performance. This performance information is available to the public, but also allows for key information to be considered as part of decision making on service delivery.

Conclusion: Based on the work performed, the Council had proper arrangements in place in 2023/24 to enable it to use information about its costs and performance to improve the way it manages and delivers its services.



04

Appendices

Appendix A - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Section 151 Officer prepares and submits a Medium-Term Financial Plan ('MTFP') to the Council and Cabinet. The MTFP provides a projection of the costs of delivering services over the proceeding 4 years. It also identifies any budget gaps that the Council will need to address through savings plans or the generation of additional income. The MTFP considers key assumptions including Council Tax and Business Rates, payroll, inflation, government grants, revenue contribution to capital, housing benefit, capital financing budget and short-term growth. The MTFP is designed to ensure that council maintains a prudent level of general fund reserves. The 2023/24 budget forecasted a breakeven position, with positive contributions forecasted in the MTFP for 2024/25 through to 2026/27.
How the body plans to bridge its funding gaps and identifies achievable savings	Funding gaps are identified as part of the MTFP and annual budget setting process. Service area heads consider saving items and efficiencies within their budget submissions. The Council also develops an efficiency plan covering a four-year period which focuses on the generation of additional income through financial levers including council tax, commercial investment, and fees and charges. The Council engages in quarterly performance reporting to identify variances between the budget and forecast that can result in financial resilience risks and determines mitigating actions as required.
How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Council has a Corporate Plan which sets out its priorities over a five-year period. The delivery of the plan is monitored through quarterly performance reporting to the Cabinet. Resources to ensure delivery of the plan are allocated to prioritised areas through the MTFP and annual budget setting process. The Corporate Plan is reviewed on an annual basis to ensure the relevance of key activities and measures within it.

Appendix A - Summary of arrangements

Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

Reporting criteria considerations

Arrangements in place

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

The Council prepares a MTFP that aligns with the Corporate Plan to ensure that financial resources are assigned to the delivery of the Council's service priorities. The MTFP addresses revenue and capital expenditure over the medium term encapsulating the treasury management strategy, commercial investment strategy, and capital strategy. These strategies are all reviewed annually for alignment as part of the budget setting process.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

Risk management is embedded throughout the Council and in its partnership working arrangements. The Council maintains a Risk Management Strategy and Risk Registers that identify the potential risk, level of risk based on probability and impact, owner of the risk, and mitigation actions. These risk registers are reviewed by the Overview & Scrutiny Panel and then presented to Cabinet. Financial performance reports are further created and delivered to Cabinet on a quarterly basis for discussion. The reports identify variances between budget and forecast at a directorate level. The Council also maintains a robust Treasury Management Strategy addressing risks related to liquidity, interest rate exposure, and maturity of borrowings. Treasury reports are given to the Cabinet twice per year.

Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting criteria considerations

Arrangements in place

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

The Council employs a Risk Management Strategy and Corporate Risk Registers that are aligned with the Corporate Plan. The Council has a Risk and Controls Officer who runs the Risk and Controls Group. The Council's Internal Audit (IA) function measures and assess areas for inclusion in the Audit Plan, by looking at risk indicators including number of transactions, number of staff, turnover of staff, performance of staff and service delivery, known issues, intelligence from other councils, and intelligence provided by the Risks and Controls Group. IA carry out an annual programme of audits based on the findings from review of risk indicators. These audits test the sufficiency of internal controls and consider potential for fraud throughout the audits. The Council is also part of the National Fraud Initiative and completes submissions regularly back to central government. The Council reports on the design and operations of its governance arrangements through Annual Governance Statements (AGS).

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

The budget is prepared by the Chief Financial Officer on the basis of submissions from the Huntingdonshire Leadership Team and Budget Managers. Consideration is given to the existing Corporate Plan and MTFP to ensure updates are made as required for changes in assumptions, existing delivery plans, and the general public environment. The budget is provided to Cabinet and subject to public consultation before proposals are made to the Council for approval.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

The Cabinet makes recommendations to the Council on the budget and policy framework. It is also responsible to oversee the Council's overall financial performance. Budget managers are responsible to manage income and expenditure within their areas and to monitor performance. Detailed budget monitoring is undertaken by budget managers monthly and, as part of the budgetary control responsibilities, significant budget variations are investigated by the budget managers. The Chief Finance Officer (CFO) is responsible for preparing and submitting quarterly reports to the Cabinet on the Council's projected income and expenditure compared with the budget and the action required where relevant. Non-financial information such as corporate performance and risk monitoring report is also submitted to the Cabinet on a quarterly basis. The report sets out progress against the delivery of the corporate plan priorities and key performance indicators as well as an update on corporate risk register.

Appendix A - Summary of arrangements

Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting criteria considerations

How the body 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

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

Arrangements in place

Full Council is the key decision-making body of the Council. The Cabinet is responsible for day-to-day decisions and makes recommendations to Full Council. Committee papers for all meetings are required to be made available 10 working days in advance of the meeting to allow time for appropriate review and challenge by members. The Council also consults with members of the public through a number of avenues from workshops, telephone calls, social media channels and the website, to gauge public opinion issues. Non-cabinet members as well as the public are also permitted to speak at meetings on any matter of the agenda.

The Council sets out the "Code of Conduct" and the "Gifts and Hospitality for Councillors" within its Constitution. The Council maintains the Register of Disclosures and Interests and Register of Gifts and Hospitality which are held by Democratic Services.

The Monitoring Officer is legally responsible for monitoring the compliance of the Council's policies and acts as the Council's chief legal and governance advisor to ensure it operates lawfully and within the agreed Constitution. The Monitoring Officer deals with any complaints that are raised, and is also able to engage an independent person, if needed, to conduct investigations into alleged breaches of the Member Code of Conduct.

In addition, the Council also has a formal anti-fraud and corruption strategy and a whistleblowing policy in place to ensure that staff operate in accordance with relevant legislative and regulatory requires, including the acceptance of gifts and hospitality.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

Reporting criteria considerations

Arrangements in place

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

On a quarterly basis the Cabinet is provided with performance reports. These reports are reviewed and discussed at the meetings with appropriate challenge raised by members. Variances between actual and budgeted expenditure are identified and mitigating savings plan developed as required.

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

The Council identifies priorities in its Corporate Plan to assess the performance in achievement of the stated strategic initiatives. These measures are reported on a quarterly basis to the Cabinet. In preparation of the Annual Budget the Council considers adjustments to the services provided to achieved a balanced budget through adjustments of service or identification of new income generation streams.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Council has joint arrangements with other local authorities to exercise the Council's Executive and/or Non-Executive functions. Where the arrangements are to exercise the Council's statutory functions, the terms of reference and functions of these joint committees are set out within the Constitution. The Council also maintains Partnership Agreements, Service Level Agreements, or Memorandums of Understanding for each significant partnership that is monitored through day-to-day operational functions and reviewed and reported on at Board Meetings or Performance Meetings.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

Reporting criteria considerations

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits

Arrangements in place

The Council's procurement procedures are set out in the constitution and those responsible for purchasing must comply with these procedures. In addition, the procurement processes, policies and arrangements are also available on the Council's intranet while the procurement activities are published on the Council's website for transparency.

The Council has a Procurement Lead Officer who oversees the Council's procurement activities to ensure the compliance with Council policies and applicable legislation. The Officer is also responsible to maintain the contract register for the Council.

The outcomes of the procurement process are built into the Council's ongoing budget monitoring arrangements and any savings that are not being achieved will be highlighted as budget overspend.

Appendix B – Summary of recommendations

Recommendations

The table below sets out the recommendations arising from the value for money work in the year(s) covered in this report for the year 2023/24. All recommendations have been agreed by management.

Issue	Recommendation	Management response
Governance	Implement the action plan developed in response to the findings of the independent review of internal audit, within the agreed timeframes, and report progress to the Corporate Governance Committee.	The Council's Constitution details Directors' responsibilities for the maintenance of controls within their departments. The system of internal control is subject to regular review by Internal Audit. The work of the service is informed by the Council's risk register, with the allocation of audit resources controlled through an annual risk-based operational plan, which is agreed by Corporate Governance Committee. In addition to these arrangements the Council receives and responds to reports from other review and assurance mechanisms.

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UKC-024050 (UK) 07/22. Creative UK.

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