

Audit and Governance Committee 14th August 2023

Report Title	Auditors Annual Report 2021/22
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Appendices

Appendix 1 – Auditors Annual Report on North Northamptonshire Council 2021/22

1. Purpose of Report

- 1.1 This report provides the Auditors Annual Report 2021/22 for North Northamptonshire Council which has been produced by the Council's external auditors, Grant Thornton.

2. Executive Summary

- 2.1 Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), the Council's external auditors are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 2.2 Auditors are required to report their commentary on the Council's arrangements under specified criteria.
- 2.3 As part of its work, the external auditors considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. The conclusions are summarised as follows:

Criteria	Risk assessment	21/22 Auditor Judgment	
Financial sustainability	No risks of significant weakness identified	Amber	No significant weaknesses in arrangements identified, but improvement recommendation made
Governance	No risks of significant weakness identified	Amber	No significant weaknesses in arrangements identified, but improvement recommendation made
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	Amber	No significant weaknesses in arrangements identified, but improvement recommendation made

- 2.4 The attached report (see appendix 1) sets out the detail of the findings and subsequent recommendations.

3. Recommendations

3.1 It is recommended that the Committee note the report.

3.2 Reason for Recommendations:

- For the Committee to exercise its duties and responsibilities within its Terms of Reference for receiving reports and considering the main issues arising.

4. Report Background

4.1 Each year the Council's external auditors are required to consider whether the Council has put in place the proper arrangements to secure economy, efficiency and effectiveness in its operations to comply with the National Audit Office Code of Audit Practice.

4.2 The Council's external auditors, Grant Thornton, have reviewed the position for 2021/22 and issued a report setting out their annual opinion for the year which is attached as Appendix 1.

4.3 The report concludes that for the main areas of financial sustainability, governance and improving economy, efficiency and effectiveness that there were no risks of significant weakness identified but there were still improvements that could be made to achieve best practice as these are set out in detail in the report, with a total of 16 recommendations being made.

4.4 The report acknowledges that the Council's 2021/22 accounts are yet to be completed due to the delays in the finalisation of the accounts from legacy Councils.

4.5 As the report is a retrospective view of the financial year, a number of the recommendations have already been completed during 2022/23 as part of existing work plans. However, some will not be able to be implemented until 2023/24. Each recommendation sets out the intended completion date for any action and these will be monitored throughout the year.

5. Issues and Choices

5.1 The report provides an overview of the governance and assurance arrangements for the Council setting out recommended improvement to practice. The management response to those recommendations and subsequent actions are also included with the report. There are no alternative options proposed.

6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 Not specific to this report.

6.2 Legal

6.2.1 Not specific to this report.

6.3 **Risk**

6.3.1 The report provides an opinion on the Council's arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness and identifies areas for possible improvement in its recommendations.

6.3.2 The recommendations will be followed up as part of the Council's response to the report.

6.4 **Consultation**

6.4.1 Not specific to this report.

6.5 **Consideration by Scrutiny**

6.5.1 Not required on this occasion.

6.6 **Climate Impact**

6.6.1 Not specific to this report.

6.7 **Community Impact**

6.7.1 Not specific to this report.

7. **Background Papers**

7.1 None.