

Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 20 February 2025

Wards affected: n/a

Report of the Joint Strategic Director of Finance and Resources

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Value for Money response to External Auditor's report on Guildford Borough Council

1. Executive Summary

- 1.1 External Audit are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy themselves that Guildford Borough Council has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources.
- 1.2 The Code of Audit Practice issued by the National Audit Office requires Grant Thornton, our external Auditors to report to us any commentary relating to proper arrangements. They will report all significant matters that come to their attention.

2. Recommendation to Committee:

- 2.1. That the Committee notes the management responses to the key recommendations and the improvement recommendations as set out in Appendix 1 to this report.

3. Reason for Recommendation:

- 3.1 To comply with the Accounts and Audit Regulations 2015, the Council must respond to the recommendations.

4. Exemption from publication

- 4.1. No.

5. Purpose of Report

- 5.1 This report provides the key recommendations and improvement recommendations for the 2023-24 audit.

6. Strategic Framework

- 6.1 A key priority of the Council's Corporate Strategy is to ensure that we are a resilient and well-managed Council. The external audit of the accounts gives an opinion as to the effectiveness of the internal governance.

7. Background

- 7.1 The National Audit Office (NAO) requires our External Auditors to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. External Audit have specific criteria against which our accounts are examined.
- 7.2 This is the second-year external audit has been required to report their findings in this way and have issued a report covering 2023-24 and a follow up of actions from previous reviews.
- 7.3 The report identifies significant weakness in arrangements and key recommendations made in Financial Sustainability, Governance and Improving economy, efficiency and effectiveness.
- 7.4 The audit of the 2023-24 financial statements has been completed and Grant Thornton intend to issue a disclaimed audit opinion. Their findings are set out in Appendix 1.

- 7.5 Financial Sustainability is described as arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).
- 7.6 Governance is described as arrangements for ensuring the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management and ensuring the Council makes decisions based on appropriate information.
- 7.7 Improving economy, efficiency and effectiveness is described as arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

8 Financial Implications

- 8.1 There are no direct financial implications arising from this report.

9 Legal Implications

- 9.1 The Auditor's Annual Report was conducted under Section 20 of the Local Audit and Accountability Act 2014, and therefore under the Account and Audit Regulations 2015 the report must be considered by the Committee and made available to the public.
- 9.2 The Council is legally required to respond to any statutory recommendations made by the external auditor, and demonstrate action that is being, or will be, taken to address the recommendations and improvements raised in the report.

10 Human Resource Implications

- 10.1 There are no HR implications arising from this report

11 Conclusion

- 11.1 The Council will strive to make improvements in all areas including financial sustainability, governance and improving economy efficiency and effectiveness.

12 Background Papers

None

13 Appendices

Appendix 1: Auditor's Annual Report on Guildford Borough Council
2022/23 and 2023/24