



2020/21 Auditor's Annual Report

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
SLT Lead: Karen Watling, Chief Finance Officer
Lead Officers: Karen Watling, Chief Finance Officer
Jill Byron, Monitoring Officer

Purpose of the Report

1. The Auditor's Annual Report (see Appendix A) details the Auditor's findings on arrangements in place at the Council to secure Value for Money. It reports on whether all aspects of the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively. The report includes a summary of findings and recommendations to the Council which are accompanied by the Council's management response
2. This report is to inform members of the background framework and next steps.

Public Interest

3. The Local Audit and Accountability Act 2014 makes the Comptroller and Auditor General responsible for the preparation, publication, and maintenance of the Code of Audit Practice. The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the Act. For audits from 2020/21, a revised 2020 Code of Audit Practice applies. The new Code makes changes to the way local auditors report on arrangements to secure Value for Money (VFM).
4. The public has an interest in understanding the Council's finances and ensuring value for money is being delivered.

Recommendations

5. The Council is asked to:
 - note the Auditor's Annual Report and recommendations and endorse management's proposed response and action to the various recommendations set out in the Auditor's Annual Report

Introduction and Background

6. The Code of Audit Practice, which was revised in 2020, updated the way external auditors report on arrangements to secure value for money. This has resulted in a more comprehensive report and is the outcome of the substantial work



South Somerset District Council

undertaken by the External Auditors (Grant Thornton) which involved research and evidence gathering to consider the Council's position in respect of:

- Ensuring financial sustainability,
 - Managing governance arrangements,
 - Securing economy, efficiency, and effectiveness in its use of resources.
7. There are various recommendations that can be made, ranging from a public interest report to an improvement recommendation. Details of the hierarchy of recommendations are contained in Appendix C in the Auditor's Annual Report.
 8. If the auditor makes either a public interest report or a recommendation Schedule 7 of the 2014 Act requires the local authority to consider it within a month of receipt and decide (i) whether the report requires the authority to take any action or (ii) whether the recommendation is to be accepted and (iii) what if any action to take in response to the report or recommendation
 9. As the Council's external auditors have made a statutory recommendation, this report will need to be considered by Full Council on 15 September 2022 for a decision on whether or not to accept the recommendation and what action to take in response to it.

Financial Implications

10. There are no direct financial implications associated with these recommendations.

Council Plan Implications

11. The report supports the transparent accountability for the Council's financial sustainability, good governance, and delivery of value for money with public funds.

Carbon Emissions and Climate Change Implications

12. There are no implications arising from this report.

Equality and Diversity Implications

13. There are no implications arising from this report.

Background Papers

Grant Thornton – Auditor's Annual Report on South Somerset District Council 2020-21
Local Audit and Accountability Act 2014