



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	16 FEBRUARY 2022
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	EXTERNAL AUDITORS' ANNUAL REPORT
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The attached document is the External Auditor's Annual Report for 2021/22.

2.0 RECOMMENDATION(S)

2.1 It is recommended to Council that:

(i) The External Auditor's Report is noted.

3.0 REASON FOR RECOMMENDATION(S)

3.1 The report gives the Council and independent view of how it is achieving Value for Money

4.0 SIGNIFICANT RISKS

4.1 Risks are taken into account as part of the annual audit and feed through into the attached report.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 The Local Audit and Accountability Act 2014 sets a requirement for auditors to be satisfied that each local the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

5.2 On 1 April 2020, a new Code of Audit Practice came into force which sets out how local auditors are expected to approach and report their work on VFM arrangements

from 2020/21 onwards.

6.0 REPORT DETAILS

- 6.1 The Statement of Accounts for 2021/22 was signed off in December 2022.
- 6.2 The Value for Money report is now attached here, noting that there are no significant weaknesses in financial sustainability, governance or improving economy, efficiency and effectiveness.
- 6.3 The report notes that it is now only a matter of weeks until the demise of the Council as a separate statutory body on 31 March 2023. As such, there is a limit in terms of tangible recommendations that can be raised for the Council to action before the transfer to the new unitary authority for North Yorkshire. The auditors have noted in some areas, particularly in respect of their work on the financial sustainability theme, that there are some medium term risks that will need to be brought to the attention of the new unitary council regarding the projected significant reduction in the Council's level of useable reserves in the medium term.
- 6.4 The report also states that it is important that the good performance on financial and budgetary controls experienced at the Council in recent years is maintained through to 31 March 2023. Any requests for additional use of reserves and increases to expenditure should continue to be reviewed against clear business cases, ensuring that appropriate due process and governance checks are maintained in the run up to the end of the Council. Members of the Council will still have a fiduciary duty to public monies and the local taxpayer up to 31 March 2023, so resources should continue to be prioritised based upon key needs and any additional non statutory expenditure should be scrutinised appropriately prior to being committed.
- 6.5 In terms of recommendations for the Council to take action on before 31 March 2023, the auditors have identified two improvement recommendations in respect of governance.
- 6.6 Members of the committee will have the opportunity to ask the External Auditor and s151 Officer about the detail at the meeting.
- 6.7 Following Audit Committee's consideration of the Report, it will be made available to all members at the next Full Council meeting.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
 - a) Financial
There are no financial implications regarding this report.
 - b) Legal
There are no legal implications regarding this report.
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
None arise from the contents of this report. Such implications are taken into account as part of the budget process

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