

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

VALUE FOR MONEY 2021-22

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1. To inform Audit Committee of the Council's Value of Money (VFM) arrangements during 2021/22. The key points being: -
 - 1.1.1. The VFM audit in 2020/21 identified no risks or actual significant weaknesses and made no recommendations for improvement.
 - 1.1.2. The self-assessment for 2021/22 has considered financial sustainability, governance and improving economy, efficiency and effectiveness.
 - 1.1.3. The Council's self-assessment is that it has maintained effective value for money arrangements in 2021/22.

2. BACKGROUND INFORMATION

- 2.1 The **National Audit Office** guidance requires external auditors to consider:
 - **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services
 - **Governance** – How the Council ensures that it makes informed decisions and properly manages its risks
 - **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
- 2.2 As part of this process, the council has completed a self-assessment of its value for money arrangements for 2021/22. This will be submitted to our external auditors for their review as part of the VFM audit.
- 2.3 The first exercise of this nature was completed for the 2020/21 external audit with the result of the VFM audit being reported to the Audit Committee as part of the audit report. This report is to present the self-assessment to Audit Committee prior to its submission to our external auditors and to update on any recommendations from the 2020/21 VFM audit.

3. VFM CONSIDERATIONS

3.1 VFM arrangements have been considered in the context of financial sustainability:

- How the Council identifies significant financial pressures that are relevant to its short and medium-term plan
- How the Council plans to bridge funding gaps and identifies achievable savings
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- How the Council ensures that its financial plan is consistent with other plans
- How the Council identifies and manages risks to financial resilience

3.2 Governance

- How the Council monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- How the Council approaches and carries out its annual budget setting process
- How the Council 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.
- How the Council ensures it makes properly informed decision, supported by appropriate evidence and allowing for challenge and transparency.
- How the Council monitors and ensures appropriate standards are maintained.

3.3 Improving Economy, Efficiency and Effectiveness:

- How financial and performance information has been used to assess performance to identify areas for improvement
- How the Council evaluates the services it provides to assess performance and identify areas for improvement
- How the council 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
- How the Council ensures that where services are commissioned or procured this is done in accordance with relevant legislation.

4. VFM ARRANGEMENTS AND EVIDENCE

4.1 The 2020/21 VFM audit considered the self-assessment (cross council submission with finance lead) along with supporting evidence, review and follow-up interviews.

- 4.2 The audit report concluded that there were no identified risks of significant weakness and no actual significant weaknesses identified and as a result, made no recommendations for improvement.
- 4.3 In preparing the 2021/22 self-assessment, the same cross-council methodology has been used with reference to supporting evidence.
- 4.4 Financial sustainability is supported through Council prioritisation and outcomes focus as set out in the Council Plan allowing coherent financial planning that is organisation wide.
- 4.5 Governance is through the Cabinet and Leader model as set out in the Constitution, with effective Scheme of Delegation, Delegated Decision Records, Member Decision Records and publication, Monitoring Officer role, Code of Conduct, Standards Committee, Officers Code of Practice and the Code of Corporate Governance.
- 4.6 Improving Economy, efficiency and effectiveness is supported through Quarterly Performance Reviews, the Performance Management Framework, Partnership Protocol and Framework, effective application of Contract Procedure Rules, and outcomes-based commissioning to deliver against the outcomes and priorities set out in the Council Plan.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

- 5.1 The financial implications of this report are covered in section 3.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

- 6.1 Not applicable.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 7.1 No impact assessment is required for the purpose of this report.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 8.1 Not applicable.

9. RECOMMENDATIONS

- 9.1 That Audit Committee considers the assurance provided by this report on the effectiveness of value for money arrangements, and:
- 9.2 That Audit Committee notes the Value for Money self-assessment for the 2021/22 financial year.

DIRECTOR: GOVERNANCE AND COMMUNITIES

Church Square House
High Street
Scunthorpe
North Lincolnshire
DN15 6NL

Author: Nina Torr
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Background Papers used in the preparation of this report
Appendix 1: VFM self-assessment