



City of Westminster

Audit and Performance Committee

Meeting or Decision Maker:

Audit and Performance Committee

Classification:

General Release

Title:

Value for Money Assessment of
2023/24 Accounts

Wards Affected:

ALL

Policy Context:

The Council's external auditors are required to complete a Value for Money (VfM) assessment as part of the audit of the Council's accounts.

Financial Summary:

This report presents the Value for Money assessment undertaken by Grant Thornton as part of the contract for the external audit of the Council's accounts.

Report of:

Gerald Almeroth, Executive Director –
Finance & Resources

1. Executive Summary

- 1.1. The Council's external auditors Grant Thornton are required to complete a Value for Money (VfM) assessment as part of the audit of the accounts. The National Audit Office (NAO) Code of Practice regulations set out how the auditor is required to report whether an authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 1.2. The final Value for Money report from Grant Thornton for 2023/24 is included within the Auditor's Annual Report as at 31 March 2024 attached at Appendix 1. The Council has been given a 'green' rating for financial sustainability and governance with no major weaknesses identified. For the third category, improving economy, efficiency and effectiveness, this has been rated as 'amber'. This is an improved position on the 'red' rating given last year and reflects the work undertaken to address a significant weakness that was raised in relation to the Council's Housing Improvement Plans.

2. Recommendations

- 2.1. That the Audit and Performance Committee notes the Value for Money (VfM) Assessment issued by Grant Thornton
- 2.2. That the Audit and Performance Committee considers the findings in Grant Thornton's Value for Money assessment (Appendix 1) and that no significant weaknesses were identified in respect of the Value for Money assessment categories.

3. Background

- 3.1. Under the Local Audit and Accountability Act 2014 and 2020 National Audit Office (NAO) code of Audit Practice, auditors are required to carry out a value for money audit in line with the NAO code.
- 3.2. The Value for Money report includes the auditor's assessment of VfM arrangements against three required reporting criteria:
 - **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
- 3.3. The assessment includes commentary against each of these three areas and reports on the arrangements put in place by the Council to deliver value for money.
- 3.4. The Council has been rated green for Financial Sustainability, green for

Governance, and amber for Improving Economy, Efficiency and Effectiveness. The amber rating is an improvement on the position last year whereby a significant weakness in arrangements was identified resulting in the Council being given a red rating for that area. This was in relation to Housing Improvement Plans and auditors this year have noted that the Council has made good progress on its housing improvement journey including its tenant engagement, complaints performance and improvements to repairs. The report notes further opportunities for improvement hence this year's amber rating.

- 3.5. Grant Thornton have raised a small number of other improvement recommendations which the Council will look to implement over the coming year.

4. Conclusion

- 4.1. Grant Thornton's conclusion of the Council's Value for Money assessment is included in the Auditor's Annual Report attached at Appendix 1.
- 4.2. The Council accepts the findings that no significant weaknesses have been found in respect of financial sustainability, governance or improving economy, efficiency and effectiveness.
- 4.3. The Council accepts recommendations made to continually improve its value for money practices which will be reported back to Audit and Performance Committee in subsequent external audit reviews.

5. Financial Implications

- 5.1. The Value for Money report is produced as part of the contract for the external audit of the Council's accounts.

6. Legal Implications

- 6.1. The auditor is required to publish an annual commentary on value for money arrangements as part of the auditor's annual report. This is to comply with the requirements of the 2020 Code of Audit Practice and Auditor Guidance Note 3.

BACKGROUND PAPERS:

Appendix 1: Auditor's Annual Report for the year ended 31 March 2024

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

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