


<b>AUDIT COMMITTEE 7<sup>TH</sup> APRIL 2021</b>	
<b>Report of:</b> Will Tuckley, Chief Executive	<b>Classification:</b> Unrestricted
<b>Tower Hamlets' response to the Independent Review of Accounts and reports produced by the Chartered Institute of Public Finance and Accountancy and Grant Thornton</b>	

## **Executive Summary**

This report outlines Tower Hamlets' draft Improvement Plan (IP) which has been drawn up in response to the Independent Review of the 2018/19 year-end closure of accounts. The former Corporate Director of Resources commissioned an Independent Review and Worth Technical Accounting Solutions Ltd were appointed to carry out the review in August 2020 following the Audit Committee on the 13<sup>th</sup> May 2020. This was reported to the Audit Committee in November 2020 and it was agreed that the Independent Review along with an Improvement Plan (IP) to set out the actions to meet the recommendations would be brought to the April Audit Committee meeting. This report also contains the wider actions from the June 2018 Grant Thornton report on Good Governance and the report from March 2017, Review of Financial Management using the CIPFA Financial Management Model.

### **Recommendations:**

The Audit Committee is recommended to:

1. Review the actions set out in the detailed improvement plan for Phase 1 of the IP;
2. Note the resource plan for Phase 1;
3. Note the proposed content of Phase 2; and,
4. Note the recommendations, current position and improvement plans related to the Grant Thornton and CIPFA reports.

## **1. BACKGROUND**

- 1.1 The Accounts and Audit Regulations 2015 require that each Local Authority approve its audited financial statements by the statutory deadline of 31st July each year. Since that target deadline was missed for 2018/19, the former Corporate Director of Resources commissioned an Independent Review into the reasons for that and to review why the quality of the draft accounts did not meet the required standards and to recommend actions that would ensure that the Accounts are delivered on time and of the right quality in future.

- 1.2 The former Corporate Director stated that the Review would question why processes had failed and comment upon the quality of working papers and the testing and challenge of those documents.
- 1.3 During this review a previous report from 2017 on financial management produced by CIPFA was considered, which identified several recommendations that remain outstanding that have been captured in the Finance Improvement Plan.
- 1.4 Separate to the independent review referred to above, Internal Audit followed up recommendations made by Grant Thornton in their 2018 review of Good Governance, this also identified recommendations that remain outstanding as well as some additional recommendations which were agreed with management.
- 1.5 It is important to note that the actions to meet the recommendations made by Worth Consulting would not in themselves be enough to robustly rebuild the sustainable ability of the Council to produce its accounts.
- 1.6 Firstly, there are other issues that emerged that require specific actions, such as on the Collection Fund and the way in which Tower Hamlets accounts for energy costs. In addition, there were several issues that caused significant delays in the production of the 2019/20 accounts such as payroll and bank reconciliations and suspense accounts that did not ultimately result in changes to the accounts, as they were resolved, but the impacts caused delay and diversion of management capacity. Ten lessons learned sessions have been held with finance staff, some team specific, some focussed on areas of concern such as the Collection Fund.
- 1.7 In addition, the finance department restructure of 2019 that the Review refers to, further exacerbated the difficulties that the Finance function were experiencing. The structure has confused roles and responsibilities and, in the view of finance division senior management, needs to be reviewed; additionally, the capacity of the teams needs to be reviewed.

## **2. DETAILS OF THE REPORT**

- 2.1 The Council had already learned some lessons from the 2018/19 accounts production and implemented a number of improvements for the 2019/20 accounts which were acknowledged in the IP despite the impact of the pandemic which began in March 2020 and was at that time, the Council's highest priority. Whilst these added up to a significant step forward, it was recognised that there is nevertheless a considerable way to go to reach a sustainable level of improvement such that the accounts can be reliably produced on a regular basis that meet the required professional standards.
- 2.2 The Independent Review was reported to the January Audit Committee. The summary of the review contains 2 sets of key recommendations, one for

sustainable improvement, the other specifically relating to the 2018/19 accounts. These are set out below:

#### A) Recommendations for sustainable Improvement

To address these issues, the Council should:

- establish a project plan, as a priority, to address shortcomings highlighted by CIPFA in 2017;
- simplify the current coding structure so that it reflects the required layout and format of the Statement of Accounts;
- establish ongoing financial systems that support all key items and disclosures; and,
- ensure that these systems are reconciled to relevant ledger codes on a regular basis throughout the year.

#### B) Recommendations for the 2018/19 Statement of Accounts

The Council should now treat completing the 2018/19 audit as a corporate priority, by:

- identifying the key barriers to audit sign-off;
- implementing clear project plans to address each outstanding issue effectively;
- securing Deloitte's commitment to completing the audit by an agreed date which is both realistic and achievable; and,
- providing additional staff resources if necessary.

### **IP Governance**

2.3 Due to the comprehensive and complex nature of the recommendations, it was decided that the IP should form part of the Corporate Leadership Team (CLT) Transformation Board suite of programmes. The IP is being governed by a Finance Improvement Board (FIB), chaired by the Interim Corporate Director of Resources, with membership as follows:

- Chair – S151 Officer, currently the Interim Corporate Director of Resources;
- Interim Divisional Director for Finance, Procurement and Audit
- The 5 Strategic Heads of Finance
- The Divisional Director for IT
- The Corporate Director of Place
- Interim support to the IP
- Along with the Head of Internal Audit and the Interim Head of the Portfolio Management Office as observers.

2.4 The Board reports monthly to the CLT Transformation Board and a progress report will be made to each Audit Committee.

## **Improvement Plan**

- 2.5 The IP which will meet the other Independent Review recommendations is set out in Appendix A. It lists each of the recommendations set out in the Independent Review and sets out the Council's response. It is split into 4 areas, which are summarised below in 4 sections.
- 2.6 The dates for actions generally, although there are exceptions, fall into 3 categories:
- i) Actions that need to take place before the year end, 31 March 2021;
  - ii) Actions to take place before May 2021; and,
  - iii) Actions to form part of the next phase of the IP, Phase 2.

### **Section A – Independent Review Leadership, resourcing, planning and closedown delivery (8 recommendations)**

- 2.7 The actions to meet the recommendations in this section have largely been delivered or the actions identified are ongoing throughout the accounts production process. Key actions that have been taken to meet recommendations are set out below in paras 2.8 – 2.12 as well as some key actions that are yet to be delivered.
- 2.8 The Closedown timetable was reviewed in detail in January and widely publicised within the council following a series of lessons learned sessions with the Finance Team as well as reflection on the Independent Review's findings. The interim S151 officer led the Finance Launch for the 2020/21 Accounts on the 5th February 2021 and the Launch contained a training element on the technical changes being made to the accounts for 2020/21 and the requirements for improved working papers, as well as briefing on the lessons learned from 2018/19 and 2019/20. The interim S151 is present at the weekly Finance closedown meetings, so he leads the status review of the timetable and is close to the detailed challenges being faced on the ground.
- 2.9 The Accounts process has been recognised as being corporate in nature and a Communications Plan has been drafted and will be approved at the March Finance Improvement Board. This Plan is in delivery and sets out weekly key messages and communications channels, including messages from the Chief Executive. A formal fortnightly report will be made to CLT from the start of April on the status of the closing of the accounts.
- 2.10 Training sessions were held for all service staff, as they were for the 2019/20 accounts, but the 2020/21 sessions were specific to each directorate, attended by Corporate and Divisional Directors. Heads of Strategic Finance are attending Departmental DLTs to highlight upcoming deadlines and where the timetable has slipped and agree what actions need to be taken. A Readiness Report template was prepared and discussed at DLTs so that Divisional Directors could test how prepared they are for closure and report back any high-level risks to be highlighted at the Directorate DLTs.

- 2.11 A standard objective for PDRs relating to the responsibility that service staff carry, whether a budget holder or a budget administrator has been made available, but this should be tailored to each staff member's responsibilities. This will be communicated to all staff.

### **Training**

- 2.12 A training needs analysis will be drawn up for both Finance staff and service staff; as part of this, the learning and development section of PDRs should contain a mandatory review of Finance skills. It is proposed that these are collected and form the basis of the needs analysis. An ongoing training plan needs to be drawn up, so that there is a sustainable training content that is published on a Finance web page for refresher training and those staff members new into posts where there are financial responsibilities.

### **Section B – Systems and Processes (5 recommendations) IP response**

#### **Agresso**

- 2.13 A range of improvements have been identified that will ensure that Agresso, the Council's core finance solution, will better serve the Council's requirements as a matter of priority. An upgrade to the current version of the software will be delivered by summer 2021 which will enable new reporting functionality to be utilised. The service benefit will be to facilitate easier uploading of monthly forecasts.
- 2.14 Capital budgets will be loaded onto Agresso for 2021/22. This will free up capacity within the Capital team during closing in future years, as the outturn comparisons to budget will be identified from system generated data and reports. This improvement will also allow corporate monthly forecasting to take place in 2021/22 (currently quarterly) reporting through to CLT and then to Cabinet on a quarterly basis in the same way as revenue.
- 2.15 In addition, changes are being made to introduce standardised, structured, hierarchy-based budget management reports to not only Budget Managers and Service Managers as currently, but also to Divisional Directors and Directors for both Revenue and Capital budgets across the Council using the existing reporting functionality.
- 2.16 There are a range of other changes that are being delivered utilising functionality in the software that simplifies the reporting and analysis of the Trial Balance to the specific years activity (referred to as rollover) and the introduction of additional accounting periods at the end of the financial year which will assist in the transparency of the final accounts process. The rollover is expected to be complete by early April.
- 2.17 In the light of the recommendations on systems from CIPFA, GT and the Independent Review, as well as reflection by Tower Hamlets' officers, it has been recognised that Tower Hamlets does need to review what corporate systems it requires, so a review of whether an Enterprise Resources Planning

system is a better solution rather than current best of breed systems is needed. If it is decided to continue to use best of breed, there will be system changes that will allow better outcomes to be obtained. Either course of action will require a very significant level of investment. The action to review the approach to recommend to Members has a deadline of October; this is to allow the new S151 officer to input to the decision making and to recognise the capacity of the Finance leadership team to manage the level of change already required in this action plan, which will stretch current capacity. A report is currently being commissioned to support that decision making process from an external organisation to deliver a recommendation in early summer. The outcomes of that report will form part of Phase 2 of the IP.

### **Recharges and journals**

- 2.18 There are some recommendations in this section that whilst ideally would be actioned as part of this plan, will involve significant work and are judged to be outside the capacity to manage change of the Finance function at this time. The system of recharging requires in-depth remodelling from first principles; this will require a significant level of work, both to set out the “to be” and to map from the “as is” systems and data. It is proposed that this forms part of Phase 2 of the IP.
- 2.19 The Council generates over 100,000 journals year; there are significant mispostings and coding adjustments. To reduce error, the reasons behind the level of journals needs to be fully understood and then the reasons why journals need to be posted needs to be corrected at source; a journal is only required when income or expenditure has been posted to a code that is not where it should be posted to, which implies that other system changes will remove that need for reposting. Some of the work that will be undertaken over this next period will reduce the volume of journals, but there will be significant work remaining. It is proposed to also review the journals in Phase 2 of this IP.

### **All Agresso codes to be supported by ongoing monthly reconciliations.**

- 2.20 A review of all balance sheet codes is on track to complete by the end of March 2021 and will establish an owner and identify if a regular reconciliation is required and is being carried out. Where regular reconciliations are not being carried out or the quality of those reconciliations does not meet the required standard, there is no review of the reconciliation and no process notes are in place, where these are key, these reconciliations have formed part of Phase 1 of the IP. The Council’s bank reconciliations are key and are being fully reviewed with up to date procedure notes and these key reconciliations are, with a few exceptions, up to date. The 4 accounts that are not fully reconciled are planned to be up to date and in some cases potentially closed by the start of the new financial year. A procedure note has been drafted for the clearance of suspense. These procedures notes, along with all updated processes, will be reviewed by Internal Audit before being signed off by the Finance Improvement Board.

- 2.21 Payroll reconciliations are key and these will form part of Phase 1. The reconciliations are not up to date and the procedure note has not yet been developed due to resource constraints. The payroll reconciliations are now a very high priority. A dashboard giving oversight of monthly reconciliations will be put in place and reported to the S151 officer monthly by April.

### **Valuations and Pensions**

- 2.22 Weekly meetings are being held between Finance and officers in Place to ensure that the way in which valuations of the Council's assets have been carried out is challenged, robust and documented, with the documentation being available to the external auditor when finished. The assumptions made as part of the annual Pensions liability valuation are also being challenged and documented. The documentation for both of these areas will be reported to the FIB.

### **Section C – Errors identified (6 recommendations)**

#### **All income to the Council is accurately and promptly invoiced, collected and recorded.**

- 2.23 There are two sources of income that have caused errors to occur in the accounts. The first is Leaseholders, where the last four years of accounting entries for leaseholder accruals and bad debt provisions have needed to be restated. Finance and Place are working with Tower Hamlets Homes (THH) to identify where improvements need to be made that will be delivered through THH, including reviews of all procedures and processes, key monthly reconciliations and an annual review of bad debt methodology. This plan is being agreed with THH.
- 2.24 CIL and S106 income are on track to have been reviewed end to end to ensure that processes are adjusted so that errors do not occur, such as missing accruals and that the system is made more efficient by the end of March. The procedure note will be reviewed by Internal Audit prior to sign off by the Improvement Board. End to end reviews of all other income sources will form part of Phase 2 and later phases of the Plan on a prioritised basis.
- 2.25 The resourcing for the management of the Collection Fund (CF) has been reviewed and additional resource has been allocated to ensure that the Finance work is carried out by one member of staff and reviewed by their manager in collaboration with the Head of Revenues & Benefits Services.
- 2.26 The working papers supporting key decisions such as the Business Rates Appeals Provisions will be reviewed by the S151 officer and his deputy. LGF, a highly respected niche organisation, have been retained on an ongoing basis to train and support the closedown process for 2020/21 and support the drafting of end to end process notes.

## **Schools accounting**

- 2.27 The Review recommends that all schools bank accounts are monitored monthly and that postings are made throughout the year to reflect the schools' financial position. During the process of correcting errors made in previous years, it eventually became apparent that the extent of accounting error was more widespread than had been initially recognised. Much of the substance of these errors stems from the 2017/18 financial year, when it appears that the schools' bank reconciliations were not performed to a satisfactory standard. The current process is complex, counter intuitive and not documented, with no staff remaining from the year which it transpired generated most of the errors. To further complicate matters, the schools were treated as a single entity for these accounting purposes, so there was not an individual set of schools' entries to match to schools returns.
- 2.28 In summary, over the two years 2017/18 and 2018/19, the level of error was identified as £11.6m falling to the General Fund. Unfortunately, this is a real loss of resource that has had to be recognised by the Council. This adjustment has already been incorporated within reserves planning and projections as presented to Cabinet in budget monitoring reports.
- 2.29 A separate schools improvement plan has been drawn up following a lessons learnt session with the Finance team. The current process is now fully understood, but even though it needs to be changed, a new process could not be drawn up and fully implemented in time for the 2020/21 Accounts. The interim S151 officer has agreed to additional resources being made available for the period of closedown to mitigate key person risk and workshops have been held with schools. These actions as well as ongoing engagement and communication, should together ensure that schools returns will be made on time, which is a key risk and that the returns are of a higher quality, as through the latter stages of the audit, it emerged that there were areas of improvement required within the schools as well as the way in which the Finance Division have been accounting for them. An end to end process review of that accounting process has taken place, including using the Accounts Payable system for disbursement to schools, not CHAPs as is currently the payment method, which generates unnecessary work, including a significant volume of journals. Payment to schools will be made using BACs from April 2021, which will simplify the coding, reduce journals and errors. This new process will be reviewed by Internal Audit and will be signed off at the April Finance Improvement Board. The schools will also be reflected individually on the ledger, not as one sum as they are now. The schools accounts will be checked on a quarterly basis, not a monthly one as recommended by the Independent Review, as this is a step change which needs to be embedded before consideration is given to a monthly process in October 2021.
- 2.30 Lastly, cash advances were made to schools without proper authority. A small number of historic advances will be formally agreed with schools with repayment plans. The process for licensed deficits will be documented and



any schools going into deficit in future will have an approval from the Chief Finance Officer and the Corporate Director of Children and Culture.

### **Grants register**

- 2.31 The review recommends that Tower Hamlets establish a grants register, which is standard practice to cover both revenue and capital and this will have many benefits, including one version of the truth for what level of grant has been received and what has been indicated, de-risking budget setting and monitoring as well as ensuring that the Council sets out its Grants disclosure note accurately. The register has been set up and has been reviewed by Finance’s DLT; it will be signed off by the FIB at its April meeting. The register will be reported quarterly to Finance DLT and now forms part of an individual staff member’s role and responsibilities.

### **Accruals Team**

- 2.32 The Review recommends that a specific team is set up to review accruals. The interim Corporate Director of Resources has agreed to set up a time limited team staffed by interims - part of the team’s role will be to review accruals, but the team will also add capacity over this period of transition, provide a resource to prepare for the Accounts (preparing working papers supporting reconciliation reviews, following up on the areas of restatement from previous years), document the payroll reconciliations, provide additional capacity, trouble shoot and manage the External Audit queries. (see paragraph 2.36 for cost implications).

### **Section D - External Audit (5 recommendations)**

- 2.33 These recommendations are being put into place and do not require additional resource but are now being absorbed as business as usual. The restated accounts for 2018/19 and 2019/20 are elsewhere on this agenda, along with an external auditor update.

### **Programme Approach.**

- 2.34 In order to manage such a wide ranging programme 7 workstreams have been established, as set out in the table below. The IP has a column showing which of the 8 workstreams each action belongs to.

Table 1 – Finance Improvement Plan

<b>Programme workstream</b>	<b>Content</b>
Leadership, culture and planning	This relates to the way in which the accounts process is managed and moves this to a fully corporate approach.
Agresso	This workstream contains a number of improvements including the roll over and moving capital budgets onto Agresso (see paragraphs 2.13 – 2.16)

Errors	This contains improvements to the 5 major areas of error which are: Schools Accounting (see paragraphs 2.27- 2.30) Valuations (see paragraph 2.22) Leaseholders (see paragraph 2.23) Community Infrastructure Levy (see paragraph 2.24) Collection Fund (see paragraphs 2.25 – 2.26)
Bottlenecks	This covers process improvements to 7 work areas that did not lead to major errors but delayed the production of the accounts. <ol style="list-style-type: none"> <li>1) Procedures notes for the following areas are being produced and then will be reviewed by Internal Audit before sign off by FIB, with recommendations for future improvements: Council's bank accounts Suspense (clearing unallocated income), Payroll reconciliations Housing Rents reconciliations S106 accounting</li> <li>2) The way in which the Council monitors its capital expenditure is being reviewed and a procedure note will be reviewed by the Capital Delivery Board and the FIB, along with improvement to the way in which salaries are capitalised.</li> <li>3) The “holding account” reconciliation for utilities expenditure will be up to date and recommendation made to eliminate it as part of Phase 2.</li> </ol>
Budget Management	This workstream has been added and has dependencies in Agresso. Two significant new items are the commissioning of an external organisation to review the council's systems; to recommend either an ERP or to continue/enhance our best of breed systems; and to put in place the resource for the realignment of budgets to reflect expenditure on a line by line basis for all budgets that will take place in Phase 2.
Miscellaneous	This workstream relates to a small number of recommendations including identifying an owner for each balance sheet code and ensuring oversight that all required reconciliations are being done via a dashboard over the phases of the IP.
Pensions	The Pensions Remedial Plan has been reported to the Pensions Committee. (2 workstreams)

## Phase 2

2.35 A number of references have been made to Phase 2 of the Improvement Plan. Phase 2 will be agreed by CLT and reported to the next Audit Committee. The draft workstreams for Phase 2 are as follows:

- A Budget Management
- In depth realignment of budgets (income and expenditure) to enable more robust monitoring
  - Review of corporate systems, which will allow more robust management information to be available to budget holders through data cleansing and automation, the use of Business Intelligence (BI), as well as other corporate benefits
  - Review of the way in which Tower Hamlets accounts for recharges to simplify and automate
  - A Council Wide Learning and Development Training offer for Budget Holders
  - A new intranet page designed as a 'one stop shop' for Budget Holder information and guidance.
- B Pensions Administration
- C Corporate and wider Finance Workstream
- Finance Asset Register
  - Review of journals
  - Review of schools accounting
  - Review of control accounts
  - VAT review

### **Resource Implications**

- 2.36 The actions set out in the action plan that are in Phase 1 requires 3 additional sets of resources. The first set to lead and manage the IP and carry out work for both Capital and Revenue workstreams. This comprises 4 interims until the completion of Phase 1 of the IP in May 2021. The second set of resources comprises an interim accountant for each of the 4 service teams. The resource will allow each team to focus on improvements within the teams, as well as add capacity during the time when improvements are taking place but have not been implemented. It is anticipated that these resources will remain in place for Phase 2 and the budget realignment work. Lastly, Section 2.32 outlines the short-term support required for to ensure that the Accounts for 2020/21 are closed on time and to a higher, and appropriate, quality. The estimated cost for the year 2021/22 is £1m and is being financed from the Council's Transformation Reserve. The resource plan will need to be reviewed once Phase 2 is agreed.
- 2.37 The costs referred to above are one off, but the S151 officer will have to consider ongoing resourcing following the completion of the 2020/21 accounts. The cost of the specific Agresso enhancements is expected to be minimal but yet to be confirmed.
- 2.38 The cost of the upgrade has been included in the Capital programme; this is being further reviewed and the split between capital and revenue analysed, however the costs of outcome of the review which will recommend either an

ERP, or Best of Breed systems, has not been included, which will be very significant for either option.

## **Risks**

- 2.39 A Risk Register has been drawn up and is planned to be reviewed at the FIB.

## **Conclusions**

- 2.40** The IP represents a major step towards the objective of the Accounts being sustainably produced with the required quality and on time. The Plan will need to be reviewed again once the 2020/21 Accounts have been published to take account of any further improvements that have been identified during the 2020/21 process and when the external auditor has made their final assessment of the Council's accounts (ISA 260 report) after they have concluded their audit of the 2 outstanding years accounts, which is planned for July 2021.
- 2.41 The IP has a second phase that will need to be prioritised and resourced and the other CIPFA 2017 recommendations will need to be addressed if the Financial Management of the Council is to meet contemporary quality standards over time, which would require further action to be taken not set out in this report.

## **Grant Thornton Report: Good Governance**

- 2.42 During Internal Audit's review of the Council's corporate governance, they followed up on a previous review of governance undertaken by Grant Thornton in 2018. This established that some of the recommendations made by Grant Thornton had not been fully implemented. To understand the current position in relation to these recommendations management have reviewed the Grant Thornton report and articulated the current position. From this work it is clear that some of the recommendations made by Grant Thornton are no longer relevant or appropriate as the Council has changed and improved in the last three years, however some of the recommendations remain relevant and further work is required to implement and embed better governance. A prioritised improvement plan has been prepared to address these issues as well as the latest recommendations made by Internal Audit and is attached at Appendix B for the Committee's information. This plan has been reviewed and approved by CLT who will own the plan and actively monitor progress. The Grant Thornton report on Good Governance 2018 is attached at Appendix C and the 2017 CIPFA review referred to by Grant Thornton is attached at Appendix D.

## **3. EQUALITIES IMPLICATIONS**

- 3.1 The Equality Act 2010 requires the Council in the exercise of its functions to have due regard to eliminate unlawful discrimination, harassment and

victimisation, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.

3.2 There are no equalities implications arising from this report.

#### **4. OTHER STATUTORY IMPLICATIONS**

4.1 Local authorities in the United Kingdom are required to keep their accounts in accordance with 'proper (accounting) practices'. Public sector organisations responsible for locally delivered services are required by legislation to comply with the terms of the Code of Practice on Local Authority Accounting in the United Kingdom. There are no other statutory implications within this report.

#### **5 COMMENTS OF THE CHIEF FINANCE OFFICER**

5.1 The comments of the Chief Finance Officer have been incorporated throughout this report.

#### **6 COMMENTS OF LEGAL SERVICES**

6.1 The Council is required to prepare a statement of accounts in accordance with the Accounts and Audit Regulations 2015. The statement must include statements about the housing revenue account (setting out prescribed particulars) and each and every other fund in relation to which the Council has a statutory function to keep a separate account.

6.2 The Accounts and Audit Regulations 2015 specify a procedure for signing, approval and publication of a statement of accounts. The chief finance officer is required to sign and date the statement of accounts by 31 May each year, certifying that it presents a true and fair view of the Council's financial position at the end of the relevant financial year and of the Council's income and expenditure for the year. The Audit Committee must approve the statement of accounts by 31 July each year and the statement must be signed by the chair of the meeting at which the accounts were approved. The statement of the accounts must be published by 31 July along with any certificate, opinion or report issued or given by the Local Auditor under the Local Audit and Accountability Act 2014.

6.3 The Regulations state that where the auditor's final findings are not available by the required date, the local authority must publish as soon as reasonably practicable on or after the required date a notice stating that it has not been able to publish the statement of accounts and its reasons, and must publish the statement of accounts and other documents as soon as reasonably practicable.

6.4 The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is referred to as the Council's best value

duty.

- 6.5 The improvement plans appended to this report have been put in place to ensure compliance with these legislative requirements.
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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

- A Finance Improvement Plan
- B Governance Plan
- C Grant Thornton Report on Good Governance
- D Review of Financial Management using the CIPFA Financial Management Model.