

# Auditor's Annual Report on Warwickshire County Council

2021/22

February 2023



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Executive summary



## Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Council's arrangements under specified criteria and 2021/22 is the second year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below along with the direction of travel from the conclusions made within our 2020/21 Annual Audit Report.

Overall, the conclusions we have made this year have improved within Improving economy, efficiency and effectiveness as we did and stayed consistent within Financial Sustainability and Governance. A summary of our conclusions are available on page 4.

Criteria	Risk assessment	2020/21 Auditor Judgment		2021/22 Auditor Judgment		Direction of travel
Financial sustainability	No significant weaknesses in arrangements identified, but improvement recommendation made		No significant weaknesses in arrangements identified, but improvement recommendation made		No significant weaknesses in arrangements identified.	↔
Governance	No significant weaknesses in arrangements identified, but improvement recommendation made		No significant weaknesses in arrangements identified, but improvement recommendation made		No significant weaknesses in arrangements identified, but improvement recommendation made	↔
Improving economy, efficiency and effectiveness	One significant weaknesses in arrangements identified and one recommendation made.		Significant weaknesses in arrangements identified and a key recommendation made.		No significant weaknesses in arrangements identified, but improvement recommendation made. The direction of travel is positive.	↑



No significant weaknesses in arrangements identified or improvement recommendation made.

No significant weaknesses in arrangements identified, but improvement recommendations made.

Significant weaknesses in arrangements identified and key recommendations made.

# Executive summary



## Financial sustainability

2021/22 continued to be an highly unusual year for Local Government Finances with the continued strain of the Covid-19 pandemic being felt throughout. This coupled with new cost pressures arising, due to increasing inflation, has meant that the 2021/22 has ended with even greater uncertainty around the financial sustainability of the sector. Despite these challenges we concluded that the Council maintained a strong financial position throughout 2021/22 and have planned well over the medium-term. The ability to make savings and balance planned expenditure against the available funding will be vital for the Council to maintain financial sustainability over the medium term during what will be a renewed period of acute financial challenge. Further details are on page 7 of the report.



## Governance

The Council has maintained effective governance arrangements during 2021/22. During 2021/22 there have been positive developments in relation to governance arrangements at the Council, with the independent review of Overview and Scrutiny Committee being presented (discussed further on page 12). Overall we have concluded that the Council continues to have good procedures around risk monitoring, budget setting, scrutiny and governance arrangements. However we have carried forward one of our 2020/21 recommendations that hasn't been fully implemented. Further details are available on page 11 of the report.



## Improving economy, efficiency and effectiveness

Overall, the Council has effective arrangements in place in relation to delivering economy, efficiency and effectiveness in its services to local residents. The Council has good arrangements in relation to performance monitoring, procurement and partnership working. However, we noted two areas where the Council are still implementing improvements.

In our 2020/21 Annual Audit Report we reported a significant weakness in arrangements in relation to Special Educational Needs and/ or Disabilities service provision in the area and across all public sector partners, due to significant concerns of the joint report issued by CQC and Ofsted in September 2021. As part of our 2021/22 Audit Plan we highlighted this was a potential area of significant weakness for 2021/22. Based on the progress made in the year, the governance arrangements in place and external monitoring we have not highlighted a significant weakness in arrangements in 2021/22. However, we have raised an improvement recommendation, on page 19, to ensure that the pace and quality of change continues to be monitored.

As part of our Annual Audit plan for 2021/22, we also highlighted a potential significant weakness based on the results of an inspection into Warwickshire Fire and Rescue Service released in January 2022. Based on the progress made in the year, the governance arrangements in place and the revisit by the regulator in February 2022 we do not consider there to be a significant weakness in arrangements, however we have raised an improvement recommendation on page 20.



We have substantially completed our audit of your financial statements and anticipate issuing an unqualified audit opinion following the meeting of the County Council on 7 February 2023. Our findings to date are set out in further detail on page 25.





# Opinion on the financial statements and use of auditor's powers

We bring the following matters to your attention:

## Opinion on the financial statements

Auditors are required to express an opinion on the financial statements that states whether they : (i) present a true and fair view of the Council's financial position, and (ii) have been prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22

We have substantially completed our audit of your financial statements and anticipate issuing an unqualified audit opinion on following the meeting of the County Council on 7 February 2023. Our findings to date are set out in further detail on page 25.

## Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

No statutory recommendations have been made as a result of our value for money assessment. It should be noted that we are currently finalising our work in relation to an outstanding accounts objection for the year ended 31 March 2018, however we do not expect to make any statutory recommendations as a result of this.

## Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We have not been required to issue a public interest report in the period and there are no matters as a result of our value for money procedures undertaken that would lead us to conclude that a report in the public interest is necessary. As noted above, we are currently finalising our work in relation to an outstanding objection for the year ended 31 March 2018, however we do not expect to make a public interest report as a result of this.

## Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We have not been required to make an application to the courts in respect of any item of account included in the financial statements for year ended 31 March 2022.

## Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We have not been required to issue an advisory notice in respect of any intended actions of the Council.

## Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We have not applied to the courts for judicial review in relation to any matters noted in the period.

# Securing economy, efficiency and effectiveness in the Council's use of resources

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



## Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



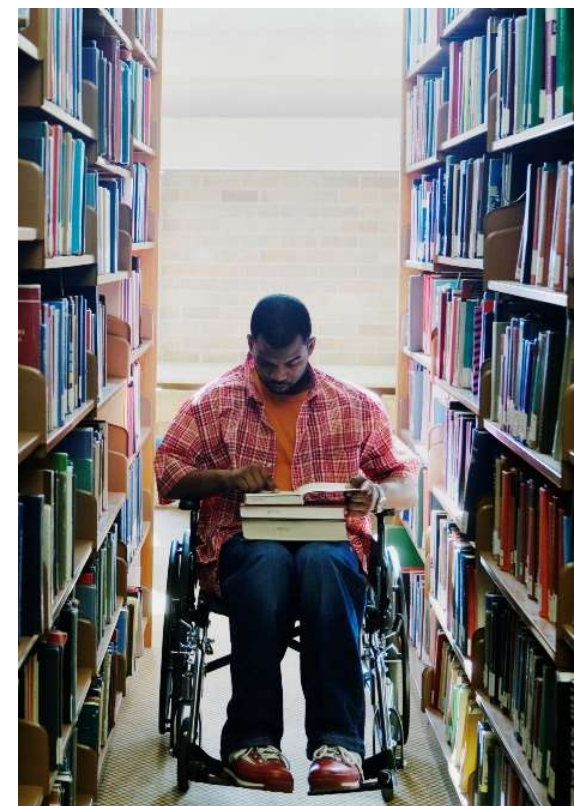
## Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.



## Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the Council's arrangements in each of these three areas, is set out on pages 7 to 21. Further detail on how we approached our work is included in Appendix B.

# Financial sustainability



## We considered how the Council:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

## Financial Outturn 2021/22

2021/22 continued to be an highly unusual year for the public sector with the continued strain and recovery from the Covid-19 pandemic being felt throughout. The Council received £42.4m of COVID related funding in the year, with overall expenditure on COVID related pressures being estimated at £47.5m. Despite the uncertain and challenging climate, the Council has shown strong financial management by delivering 99.4% (£7.9m) of its planned savings plan. This has meant that the Council has achieved a revenue underspend of £10.5m in 2021/22. The Council's usable reserves have increased by £11.9m in the year due to these factors. This has helped to strengthen the Council's financial resilience in the face of renewed financial pressures over the medium term.

## 2022/23 budget

In February, the Council approved a balanced budget for the financial year 2022/23. There was strong internal and external engagement throughout the budget setting process with options being presented to the Cabinet in December 2021 and an update in January 2022.

Scenario planning was utilised when developing the budget, this ensured that the assumptions presented to the Cabinet were balanced and not overly optimistic. At the time of drafting the assumptions around income, pay costs and inflation were in line with best knowledge. However, this has been an uncommon year for the UK for inflation and other cost pressures, which now means that some of the assumptions are outdated. This was disclosed as a risk within the 2022/23 budget and the uncertainty around key policy, economic and funding forecasts being highlighted as a key strategic risk to the Council.

We have reviewed the financial risks and pressures disclosed around both the 2022/23 budget and Medium Term Financial Strategy (MTFS) and are satisfied that there are no obvious omissions.

Due to ongoing pressures in relation to COVID and the dedicated schools grant (DSG), the Council faces a forecasted overspend of £13.4m as of quarter 3 for the 2022/23 financial year. However, the Council have already managed to identify measures to mitigate most of this balance, meaning that the Council is currently only forecasting a £6.7m (1.9%) overspend for 2022/23, that will be met from Directorate and General Risk Reserves. There is potential for this position to worsen given the current economic climate, however the Council has ensured that sufficient contingencies are in place within their 2022/23 budget and MTFS. These contingencies include COVID related reserves of £19.3m, an inflationary specific provision from the general reserve of £7.5m, service level inflation contingencies and up to £93m to manage volatility over the life of the MTFS, per the Council's Reserves Strategy 2022-27.

## Reserves

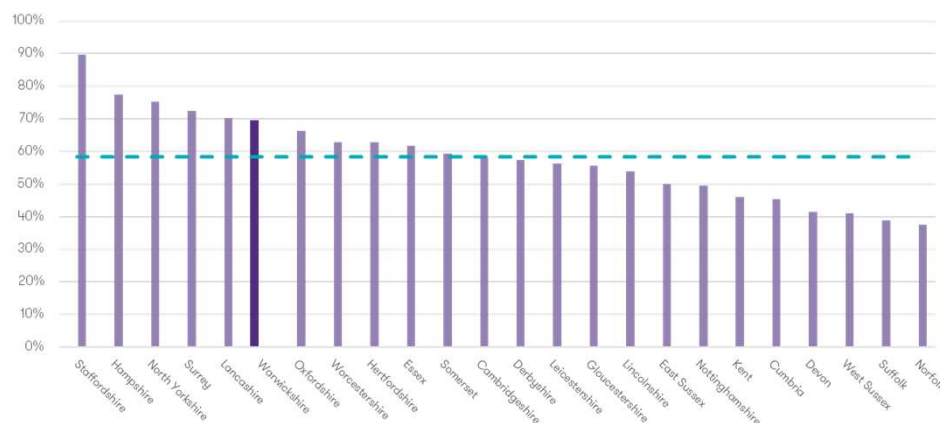
The Council has a Reserves Strategy which is refreshed on an annual basis and is presented as an appendix to MTFS, to further support decision making. As at March 2022 the Council's reserves were £244.4m, with their general reserves totaling £26m. This is above 5% of the Council's annual net expenditure, which shows the Council is holding suitable levels of reserves. This is a prudent approach which should help manage the significant financial uncertainty that the Council faces in the medium term.

# Financial sustainability

Reserves are forecasted to reduce by £59.5m over the life of the MTFS (2027) to support timing differences between spending need and the delivery of savings and growth in the Council's revenue streams. The Reserves Strategy and MTFS provide a comprehensive overview of the use of reserves and the monitoring of reserves is included within quarterly updates to the Cabinet, this ensures that there is accountability over the use of the reserves and ensures reserves won't be lower than 5% of annual net expenditure.

When compared to other county councils in the country and the West and East Midlands region, Warwickshire rank highly on the strength of reserves based metrics.

Reserves as a proportion of Net cost of services [%]



## Medium Term Position

The Council has a clear understanding of the medium-term challenges it faces and has ensured that its MTFS is aligned to deliver the outcomes of its Council Plan.

Risks from the Strategic Director for Resources Statement	
Delivery of planned budget reductions	Inflationary risk
On-going Impact of Covid-19	Repayment of overspends
Dedicated Schools Grants Deficits	Treasury Management
Uncertainty of the National Funding Position	Local Government Funding Reform
Pensions	Impact on the Medium Term Financial Strategy

To take a proactive approach in dealing with these challenges the Council is making additional investment in key areas to ensure their finances are robust and sustainable over the medium term. This includes investment in areas such as children's social services, adult social care, Special Educational Needs and Disabilities (SEND) and digital transformation. There is also a £10m Investment Fund that will enable focused investment in areas that will support delivery of the Council Plan.

We have reviewed the Council's assumptions across the 2022/23 to 2026/27 MTFS and consider them to be fair based on current uncertainties, as we mentioned above some assumptions are now out of date, but this is a factor the Council is aware of and is positively managing both in 2022/23 and in the financial planning for future years.



# Financial sustainability

The key assumptions to mention are around revenue. The Council will increase Council tax by 1.75% in 2022/23 (increasing by 1.99% over the medium term) and will utilize 2% of the social care levy in 2022/23 (plus an additional 1% in 2023/24 and 2024/25). Based on these assumptions and the budget reductions planned (discussed below) the Council currently has a balanced financial position to 2027.

Due to the fluctuation of current cost pressures (inflation) we have also reviewed the assumptions around the 2023/24 MTFS refresh that went to cabinet in July 2022. The Council has indicated that due to the inflationary outlook being volatile, with material changes on a monthly basis, they are keeping the position under close review and will update throughout the MTFS refresh process. The most likely scenario, that the Council is drafting its 2023/24 assumptions from, is that there will be minimal economic growth within the UK and a stabilization of inflation to historic trends over the next two years through to mid-2024. We consider this to be prudent and a realistic scenario given current uncertainty. However, this is an area we will continue to monitor closely as part of our 2022/23 audit procedures.

## Budget reductions (saving targets)

To meet this balanced position the Council needs to deliver total budget reductions of £10.2m in 2022/23, with this rising to £65.7m by the end of the MTFS (2027). To support this, aim the Council has also allocated £5m initial investment to support budget reductions. The Reserves Management Strategy also indicates that budget reductions are funded as part of the £45.2m that has been allocated to support the timing differences between spending priorities and realization of benefits.

It is positive that the Council has a plan to deliver these budget reductions, with there being a clear list of reductions set out within the 2022-27 MTFS, however there is a potential risk that the Council will need to identify further budget reductions if assumptions in the MTFS or the delivery of savings do not reach the expected outcome. This could lead to a further use of reserves if budget reductions cannot be identified. This is a risk that is disclosed within the MTFS, but it is important to highlight here.

The Council has historically delivered their savings with them delivering £59.75m (84%) of their planned £70.7m of savings from 2017/18 to 2021/22.

Currently in 2022/23, the Council is on track to deliver its savings target. With the quarter 3 monitoring report showing that the Council is on track to deliver £9.4m (92%) of the required £10.2m savings in 2022/23.

Overall, the Council does have satisfactory processes in place to develop and monitor budget reductions. However due to the ongoing uncertainty around the medium-term funding of the sector, members need to continue to monitor the deliver of the planned budget reductions till 2027.

## Dedicated Schools Grant

One of the areas that many local authorities have struggled with in recent times is balancing their deficits in relation to the DSG. There is much uncertainty around the long-term funding of the deficits on a national level. To alleviate this, in the short term, the Council has set aside a DSG Offset Reserve of £21.7m. As at quarter 3 the cumulative deficit for the High Needs block is currently £20.9m

## Adults Social Care

Adult Social Care is another service area many local authorities are challenged with due to the increase in service demand, a backlog due to COVID and upcoming funding reforms. For Warwickshire, Adult Social Care is one of the highest spending services with the total service estimate for 2022/23 being £168m. Inflation and an increase in demand are projected to increase costs by £35m from 2023/24 to 2026/27. To support current and future funding of the service the Council will take advantage of the additional social care levy (as discussed earlier) and focus on the transformation of Adult Services to make it more financially sustainable.

# Financial sustainability

## Capital plans

As at Q4 2021/22 the Council's total capital expenditure was £107.6m, compared to an approved budgeted amount of £138.5m in January 2021. The main reason for the majority (£31.3m) of variance at Q4 was due to delays and reprofiled projects. Per the 2021/22 financial outturn report, the total value of delayed projects for the entire year amounted to £76.3m (43%). Whilst this is understandable due to the impact of the Covid-19 pandemic, it is an area that needs to be continued to be monitored in future periods to ensure there is no long-term impact on the delivery of the Council's capital programme. It should be clarified that the Council has reprofiled these projects meaning they will still be delivered in line with the Council's capital programme and other related strategies but at a revised timescale.

In June 2022 the Cabinet approved an updated capital budget of £163.4m. As of September 2022, the Council is forecasting an actual spend of £167.8m due to new projects. Due to the impact of inflation, parts of the capital programme are/or will face cost pressures throughout 2022/23. In order to alleviate some of these pressures the Council has set aside £15m Capital Investment Fund in September 2022. The Council is also undertaking due diligence work alongside services to try and minimize inflationary impact but there is a possibility that these costs may rise over 2022/23. By creating this contingency, the Council is taking a proactive approach to deliver the 2022/23 capital programme rather than waiting for unknowns.

## Conclusion

Although it has continued to be an extraordinary year for Local Authority finances, with the impact of Covid-19 being felt throughout, the Council has continued to perform strongly in terms of its financial planning. There are now emerging cost pressures, due to the impact of inflation, but the Council has put sufficient contingencies in place to cover any current year cost pressures. There is still much uncertainty around the medium-term funding and cost position of the Council, but they have a well built plan in place.

# Governance



## We considered how the Council:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

## Risk monitoring and effectiveness of internal controls

The Council has good processes around risk monitoring. The Strategic and Service Risk Register are presented to the Cabinet on a quarterly basis. This document assesses risk and evaluates against a matrix. The impact of risks range from insignificant to catastrophic and likelihood from highly unlikely to very likely. The definitions and criteria are set out in the risk management framework. The Strategic Risk Register is updated on an ongoing basis and has risks for current challenges such as the risk of sustained inflationary pressures.

The Council also receives assurance on internal control and risk management processes from its Internal Audit function. In 2021/22, Internal Audit completed 21 pieces of work:

Full Assurance	Substantial Assurance
2	12

Moderate Assurance	Limited Assurance
6	1

Internal Audit provided an overall opinion of “Substantial Assurance” on the Council’s control environment. This was an improvement on the 2020/21 opinion, which was given as “Moderate Assurance”.

The Internal Audit function also provided advice in the year to ensure appropriate controls are incorporated at an early stage of a project or systems development. Whilst Internal Audit do not provide assurance on such pieces of work, they do highlight areas of strength and weakness.

## Budget Setting Process

The Council has a strong budget setting process. The budget setting process is driven internally by the Resources Directorate and the Assistant Director - Finance communicates the process and timelines accordingly. This is accompanied by a suite of documents that feed into the exercise such as revenue cost and demand pressure proformas. Officers then identify permanent additional costs, time limited costs and one-off costs as well as future savings. These must be supported by narrative explanation and assumptions applied. There are also guidance notes provided to budget holders in relation to trend analysis.

The MTFS is refreshed on an annual basis, with the 2022/23 MTFS Refresh being presented to the Cabinet in July 2021. This report allows management and members to consider different scenarios and assumptions before updated options and the final MTFS are approved. The MTFS and budget is built around the priorities set out in the Council Plan, this ensures that the Council’s resources are appropriately allocated to delivering the Council’s Strategic aims.

# Governance

Approval of the annual budget is by full Council after going through a through a scrutiny and assurance process led by Corporate Board as well as the usual governance process of finance and legal sign-off for all Member reports. All of the information in the reports and the supporting documentation in the options presented to Cabinet in December are signed off by the individual Assistant Directors at the time it is submitted.

These individual service submissions also go through the relevant Directorate Leadership Team where there is the initial challenge/assurance process led by the Strategic Director. There is also opportunity for political groups to provide suggested amendments and these are also cleared as deliverable by both Finance and the relevant Assistant Director.

Overall we consider the Council to have a good budget setting process that ensures that assumptions around cost pressures and savings are built on realistic foundations, there is appropriate stakeholder engagement and multiple stages of scrutiny.

## Budget Monitoring

Budget monitoring reports are presented to Corporate Board on a monthly basis. These reports includes graphical dashboard style summaries of performance, high-level commentary on key variances and risks and changes from the prior period. Further detailed analysis of the variances by each service line is reported on an under/ over spend basis. These reports summarise and provide the Corporate Board with an overall position of the Council and anticipated impact any variances will have on the final outturn position.

Financial monitoring reports are also presented to the Cabinet on a quarterly basis. This is reported at a high level initially and then drills into further detail by revenue outturn in each service area, savings plans delivery, reserves position and capital programme delivery. A number of appendices are presented alongside the executive summary for further scrutiny by members.

Treasury management activity is reported to the Cabinet bi-annually i.e. on the first six months of the period and then the outturn for the year. The update report includes headlines in relation to cash balances, investment returns, debt repayments and outstanding borrowings, these are then further analysed in the body of the report which is supported by a number of appendices. The update also comments on the compliance with the strategy as approved by the Council.

We consider the Council to have a strong budget monitoring process, with reports providing the necessary information for members to provide appropriate scrutiny in relation to savings, reserves, capital and revenue outturn. These reports have a good level of detail and are reported on an appropriate basis.

## Decision Making and Committee Effectiveness

The basis of the Council's decision making is governed by the Constitution. The Constitution was reviewed during 2021/22 with there being a focus on contract standing orders, financial regulation, and scheme of delegation. The aim of this review was to provide greater clarity around certain areas and ensure the Constitution remained fit for purpose.

Relevant information is provided to decision makers before major decisions are made to ensure there is appropriate challenge. During 2021/22, the results of the independent review of Scrutiny that was commissioned by the Council in February 2020 were presented to Overview and Scrutiny Committees in February, March and June 2021 and the final recommendations to the Cabinet and Council in September 2021. The results of the report highlighted several areas of good practice and also highlighted a number of opportunities to strengthen the overview and scrutiny function. There was a recommendation to take a principles based approach to drive scrutiny forward.



# Governance

The Council has created an action plan in response to the report, in order to guide their actions in relation to improving the overview and scrutiny function.

Attendance at Audit and Standards Committee demonstrates that members provide sufficient challenge and scrutiny of officers. Overall, members bring a balance of different experiences to the Committee. The Audit and Standards Committee also prepares an annual report which summarises the work it has undertaken and its contribution to the governance framework in the period, in conjunction with officers, internal audit and external audit.

Overall the Council has good processes in place to ensure good decision making takes place. The recommendations from the review of Scrutiny offer the Council further guidance on how to strengthen the good processes in place and highlight the Council's proactive approach to improve processes by commissioning reviews.

## Monitoring and ensuring appropriate standards

The Council have a strong legal services team headed by a Monitoring Officer who ensures the organisation meet legislative and regulatory requirements. Where applicable the Monitoring officer will attend relevant meetings of the Cabinet, Council or other committees to offer advice on both legal and regulatory matters.

The Council has set guidance for gifts and hospitality for members and staff. In our 2020/21 Annual Audit Report we recommended that consideration should be given to the review and renewal of the gifts and hospitality policy as they were due for renewal in 2021. During 2022, the Council introduced the gifts and hospitality policy for members through the changes to the Member Code of Conduct. However, the review of the gifts and hospitality policy for staff has not been completed yet. As such we have carried forward our recommendation from 2020/21 to 2021/22.

The Council have a counter fraud, bribery and corruption framework which is underpinned by the need to "support a culture of openness, honesty and integrity". The Framework defines the approach to managing the risk of fraud, bribery and corruption across the organisation and ensures that best practice is embedded across all services, projects and partnerships.

## Conclusion

The Council continue to have good processes in place for the monitoring of risks, budget setting, budget monitoring and effective decision making. The only recommendations we have made relate to prior year recommendations that have not been fully completed as at 31/03/2021.

# Improvement recommendations



## Governance

### Recommendation 2

This recommendation has been carried forward from our 2020/21 due to ongoing actions at year end:

Consideration should be given to the review and renewal of the gifts and hospitality policy as these were due to review in February 2021.

### Why/impact

Officers and members alike should be provided with up to date policies and procedures to follow in their respective duties.

### Auditor judgement

Timely review and update of policies will ensure that these are in line with current best practice in the industry.

### Summary findings

The gifts and hospitality policy provided for review was due in February 2021.

### Management Comments

The gifts and hospitality policy for staff as the current policy restricts gifts/hospitality to very low levels and there is no desire to increase them. From a financial perspective the limit is described as "nominal", which has tended to be £5 or so and explicitly no alcohol. A review of existing HROD related policies was commissioned for 2022/23. unfortunately our external commission of this work did not go to plan as the external provider was unwell. The review will now be led internally and the Monitoring Officer has requested that the gifts and hospitality policy is made a priority.



The range of recommendations that external auditors can make is explained in Appendix C.

# Improving economy, efficiency and effectiveness



## We considered how the Council:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

## Performance Monitoring

The Council reported performance against the Council Plan 2020-25 in 2021/22. In 2022/23 performance will be based on the new Council Plan 2022-27 that was approved in March 2022. The Council ensures comprehensive reporting is enabled through its PowerBi dashboards and the Council Plan is monitored against 54 key business measures (KBMs).

The year-end performance report shows that of the 54 KBMs, 47 are available for reporting and of these 47, 66% (31) are “On Track”. We note that in situations where reporting against KBMs is not readily available (due to national suspension or data not being readily available at the time of reporting), the Council highlights alternative proxy measures or reports the data later to ensure performance is consistently monitored.

In situations where KBMs are not being met, there is clear narrative that sets out why the KBM is not being met and what improvement activity is underway to improve under performance.

The Council also considers performance through its use of benchmarking data. It utilizes nationally/regionally available benchmarking data to ensure the value for money of services. In March 2022 the Local Government Association (LGA) undertook a peer challenge of the Council, with the report being published in June 2022. There were lots of positives highlighted and a number of key recommendations that are currently being developed into an action plan to drive further improvement at the Council.

## SEND

In September 2021 the CQC and Ofsted reported on the joint inspection of the effectiveness of SEND that was performed in July 2021. The report highlighted issues with long waiting times for assessment of children with autism, lack of stakeholder communication in some areas, a legacy of leadership teams and forums not working together closely, diminished confidence in schools to support SEND children appropriately based on insufficient training and the online resources available to parents and carers. While we also recognised that the report also highlighted a number of strengths, we ultimately raised a significant weakness in these arrangements as part of our 2020/21 Annual Audit Report and made a key recommendation.

The Council formally published the written statement of action (WSOA) in January 2022, following approval from CQC and Ofsted. A follow-up review will take place by CQC and Ofsted in June 2023. The WSoA has an action plan for each of the five areas highlighted as “significant weaknesses” by the report. There was a good level of input in the WSoA by parents and carers and the Council has improved communication in the year with these stakeholders through the introduction of a monthly SEND newsletter, the launch of a new local Facebook page and the development of more regular events such as webinars. This is all part of an ongoing communication plan that has been implemented. They have also launched a new parent carer forum (Warwickshire Parent Carer Voice).

# Improving economy, efficiency and effectiveness

The Council has introduced effective governance arrangements to monitor progress of the WSoA. This includes multi-agency working groups that have parent carer representatives. These groups report to the SEND and Inclusion Steering Group, which are responsible for the delivery of the actions within the WSoA. An overview of the monitoring arrangements (taken from the WSoA) is below.

Monthly	
KPI's	Discussions and challenge held at Education & SEND Senior Management Team and CCG SMT meetings

6-weekly	
WSoA interim reports on Progress	Targeted WSoA updates to SEND and Inclusion Steering Group (exception reporting of issues)

Quarterly	
WSoA formal reports on progress of actions within plan	Full WSoA update to SEND and Inclusion Board, SEND Member Panel, NHSE and DfE

6-monthly	
WSoA formal reports on progress of actions within plan	Full WSoA update to Children and Young People's Overview and Scrutiny Committee

As show above, overall progress is also monitored by the Department of Education (DoE) and NHS England (NHSE) on a quarterly basis with the latest meeting occurring in September 2022.

Feedback from the May 2022 meeting with DoE and NHSE was reportedly positive with comments about the pace of change. We have reviewed the May 2022 update and note that positive progress is being made:

Overall we have:	Status	Quantity	Percentage
	Completed	4	6%
	On track, no concerns	46	65%
	On track, some concerns	11	15%
	No progress, major concerns	0	0
	Not due yet	10	14%
	<b>10 actions</b> <b>19 sub actions</b> <b>71 measures</b>		

To continue the pace of the change the Council is ensuring that there is suitable investment within SEND including an investment of £4.8m in the transformation of the service and an additional £99k to support the deliver of the WSoA. The Council is working with its partners to develop a whole system approach to improvement, which will include workshops facilitated by the Council.

There are some challenges currently being faced in relation to delivering the actions within the WSoA. With the Council facing difficulties in recruiting psychology posts, timescales around procurement of services from providers and the capacity in schools to engage in Inclusive Schools Working Group. These challenges were reported as part of the May 2022 monitoring report and the Council has highlighted mitigation/remedial actions to combat these challenges.

Overall, there has been positive progress in relation to each of the significant weaknesses highlighted within the September 2021 report. Due to this positive progress, the governance arrangements in place and the ongoing external monitoring arrangements we have not highlighted a significant weakness in arrangements, however we have raised an improvement recommendation on page 19.



# Improving economy, efficiency and effectiveness

## HMICFRS Inspection

As part of our Annual Audit Plan for 2021/22, we highlighted a potential significant weakness in relation to the results of an inspection into Warwickshire Fire and Rescue Service (WFRS).

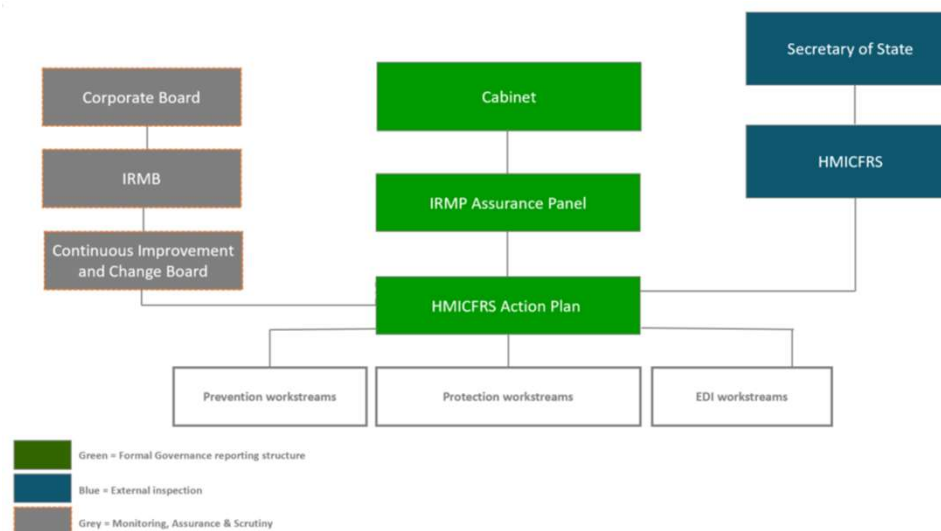
In March 2021 her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) completed an inspection of WFRS. The inspection report was publicly released in January 2022 and graded WFRS against three pillars of Efficiency, Effectiveness and People. The possible gradings are Outstanding, Good, Requires Improvement and Inadequate. WFRS received a grading of requires improvement in all three pillars.

The three pillars are split into 11 subsets, which WFRS was graded on and they were all graded as requires improvement, except for "preventing fires", which was graded as inadequate. This was a downgrade in all areas since the last inspection in 2018/19. Within the inspection report, HMICFRS highlighted three "Causes of Concern":

1. The service hasn't done enough since the last inspection to develop a prevention activity that prioritises those most at risk of fire;
2. The service hasn't done enough since the last inspection to identify its highest risk premises to inform its risk-based inspection programme; and
3. The service isn't taking a proportionate approach to promoting equality, diversity and inclusion (EDI) in the workplace.

In response the Council has developed a WSoA which was submitted to HMICFRS. They have introduced suitable governance arrangements to monitor progress against the action plan, as shown in figure 1.

The Council has fully funded the WSoA by allocating £1.55m to the improvement plan. There is a detailed budget of how this balance will be utilised.



During 2021/22, HMICFRS made a revisit in February 2022 to review progress on the action plan. Their conclusion was that significant steps had been taken in response to the concerns raised and that the increased levels of oversight and monitoring now in place reflect the determination and commitment of the WFRS to make the required improvements. However, they didn't close off any of the causes of concern and will continue to monitor progress.

Similar to other service areas, there are challenges in terms of recruitment that could affect the delivery of the plan but the service is trying alternative recruitment methods to remedy this challenge.

We have concluded that based on the governance arrangements in place, the progress made in the year and the revisit by the regulator in February we do not consider there to be a significant weakness in arrangements, however we have raised an improvement recommendation at page 20 to ensure that progress continues to be made and that any improvements are realising the expected benefits.

# Improving economy, efficiency and effectiveness

## Procurement

In our 2020/21 Annual Audit Report we reported that the Council has good processes in place for procurement and contract management, however we made a recommendation that the Procurement and Contract Management Strategy should be reviewed and renewed as it only covered to the period of 2020. We can confirm that the Council has updated their Procurement and Contract Strategy during the year.

In developing the strategy they ensured that there was internal stakeholder engagement, to understand the needs and plans of different services. They also utilised external consultants (PwC and Human Engine) during development to design a strategy that not only reflected best practice but also supported the aspirations the Council have in relation to procurement. The strategy has also been reviewed to ensure that it has been updated to link with the Council's Covid-19 recovery plans. The plan is built around three key pillars of Customer Value, Commercial Value and Social Value. It includes a five year road map that will guide the Council's key actions in relation to procurement and contract management. There is also a two-year delivery plan that outlines key workstreams that will be updated annually.

Overall we consider this to be a good strategy that has a clear direction of travel and which aligns with the Council's strategic objectives.

## Council Plan 2022-27

The Council has refreshed their Council Plan in 2022 to ensure the Council's ambition, direction and strategy were up to date following the significant changes that have occurred since the drafting of the previous plan in 2020, examples include Covid-19, Levelling Up, climate change priorities and external uncertainty. When developing the plan the Council have ensured that strategic priorities and areas of focus were supported and guided by appropriate evidence and stakeholder engagement.

A report on the "State of Warwickshire" was drafted to provide an evidence base for the development of Council Plan, this included an analysis of Warwickshire to 2050 which presented different scenarios and looked at areas that were considered strategic priorities or areas of focus.

The Council also undertook a public engagement exercise through a questionnaire that was shared with staff, the public and partners. The Council utilised the feedback to ensure themes and priorities aligned with stakeholder responses.

The Council has also ensured that the plan continues to address the needs of the local community in relation to Covid-19 Recovery Plan. With a report being presented alongside the Council plan detailing achievements and progress made in relation to the Covid-19 recovery and where further work will take place.

The delivery of the Council plan is supporting by other key strategic documents, such as the MTFS, and through a Integrated Delivery Plan.

## Partnership working

The Council continues to work well with its public, private and voluntary partners to ensure strategic objectives are achieved. There is evidence of the Council working with partners to deliver regional and national outcomes, as well as developing whole system approaches to drive improvement.

Where applicable the Council will create an agreement and Memoranda of Understanding that sets out these relationships, including areas of responsibility and how partners cooperate.

There is evidence of Cabinet considering reports on partnership working during the year and monitoring of workstreams that have been established.

## Conclusion

Overall, we are satisfied that the Council has appropriate arrangements in place to ensure it can deliver economy, efficiency and effectiveness with good processes in place for performance monitoring, procurement and contract management and partnership working. There has been good process in relation to recommendations made by external regulators, however it is important that the Council continues the pace of change within these areas to meet their initial timescales.

# Improvement recommendations



## Improving economy, efficiency and effectiveness

### Recommendation 3

The Council are in the process of implementing the agreed improvements as set out in the Written Statement of Action that is in place due to the significant concerns raised by CQC and Ofsted in their September 2021 report. The prior period recommendation is still relevant therefore and will be completed once the Council ensure that any improvements are realising the expected benefits.

### Why/impact

Although progress has been made and good processes put in place to monitor the Written Statement of Action, there is a risk that conflicting priorities may cause the Council to lose momentum. This will have a significant impact on the service user and the Council's reputation.

### Auditor judgement

As the report raises significant concerns, the Council, with its partners must focus on providing a service which meets the needs of its service users and will demonstrate that the remedial actions as outlined in the written statement of actions have been implemented.

### Summary findings

In September 2021, CQC and Ofsted performed a joint inspection of the effectiveness of the SEND arrangements in the local area of Warwickshire. The inspection identified some weaknesses in areas such as wait times for assessments, relationships and communication, placements, training and online offering.

There has been good progress in the year, as discussed on page 16, and we have therefore downgraded our key recommendation made in 2020/21. However as this is an ongoing change programme that won't be fully reassessed by CQC and Ofsted until June 2023 we have raised this improvement recommendation to ensure that progress continues to be made.

### Management Comments

We will continue to monitor progress on the written statement of action until all the improvements have been delivered and the expected benefits are being realised.



The range of recommendations that external auditors can make is explained in Appendix C.

# Improvement recommendations



Improving economy, efficiency and effectiveness

## Recommendation 4

The Council are in the process of implementing the agreed improvements as set out in the Written Statement of Action that is in place due to the significant concerns raised as part of the inspection of Warwickshire Fire and Rescue Service (WFRS) in January 2022. The prior period recommendation is still relevant therefore and will be completed once the Council ensure that any improvements are realising the expected benefits.

## Why/impact

Although progress has been made and good processes put in place to monitor the Written Statement of Action, there is a risk that conflicting priorities may cause the Council to lose momentum. This will have a significant impact on the Council's reputation.

## Auditor judgement

As the report raises significant concerns, the Council, with its partners must focus on providing a service which meets the needs of its communities and will need to demonstrate that the remedial actions as outlined in the written statement of actions have been implemented.

## Summary findings

In March 2021 her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) completed an inspection of WFRS. The inspection report was publicly released in January 2022 and graded WFRS against three pillars of Efficiency, Effectiveness and People. The possible gradings are Outstanding, Good, Requires Improvement and Inadequate. WFRS received a grading of requires improvement in all three pillars.

There has been good progress in the year, as discussed on page 17, however this is an ongoing change programme that still being monitored by HMICFRS.

## Management Comments

We will continue to monitor progress on the written statement of action until all the improvements have been delivered and the expected benefits are being realised.



The range of recommendations that external auditors can make is explained in Appendix C.



# Warwickshire Pension Fund

## Financial sustainability

The operation of the Fund and how resources will be used is captured in the business plan. The primary resources of the Pension Fund can be categorised broadly into two areas, contributions received from active members and returns on investments (interest, dividends, profit on disposal etc).

In line with regulations, the Fund is required to be formally valued every three years (triennial valuation) by a qualified actuary. As part of this exercise, the actuary will undertake an in-depth review of the Fund based on its current funding plans i.e. the level of assets required to meet future benefit payments, the time period over which it aims to achieve this and then determines the contribution rate at which employer bodies must contribute for the following three years. This also outlines that for major employers, rates may be paid in advance to the Fund to cover the three year period. This should be considered in line with the funding strategy statement.

The investment activity of the Fund is dictated by the Investment Strategy statement which sets out the type of investments that pension fund money should be invested, indicative allocations and expected returns and volatilities. The performance of these investments is then monitored by the Investment Sub-Committee and Local Pensions Board.

## Governance

The operation of the Pension Fund is overseen and scrutinised by a number of committees including the Pensions Board, Investment Advisory Sub-Committee and Pensions Committee

All of the above meet a number of times during the financial period. Review of the minutes of meetings demonstrates that members can discharge their responsibilities and make informed decisions based on sufficient and appropriate information.

There is also a risk register which is updated regularly to map out potential risks against likelihood and the impact they will have.

## Improving economy, efficiency and effectiveness

The Local Pensions Board with the assistance of the Investments Sub-Committee, monitor investment performance on a quarterly basis in arrears in line with the reporting provided by fund managers. The Local Pensions Board is provided with a high-level commentary on the portfolio of assets held by the Fund including their value as at a point in time, cash flow information and cash balances. A more detailed analysis of funding and performance is considered by the Investment Sub-Committee and reviewed in private session due to its commercially sensitive nature. The detailed report provides members with information on valuation, sensitivity and benchmarking in order for them to ascertain potential improvements in investment activity.

The Fund produce quarterly reports to update the Local Pension Board on the key developments affecting pensions administration and the performance of the Pensions Administration Service. This covers a suite of KPIs and measure of performance against these indicators, therefore identifying areas for improvement. The report also monitors workloads, breaches of policy and other projects ongoing to improve the service.

The output of the performance of the Fund in the year is captured in the Pension Fund Annual Report.

## Conclusion

Overall, we are satisfied that there are process and procedures in place to ensure the Warwickshire Pension Fund manages its resources to ensure it can continue to deliver its services, has processes in place to make informed decisions and manage its risks, and has procedures in place to monitor its performance effectively.

# Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1	In response to the September 2021 Report from the joint inspectorate review of special educational needs and/or Disabilities (SEND) by CQC and Ofsted, the Council have taken appropriate action to secure improvement in areas where the regulators have identified significant concerns in regard to the arrangements/ provisions in the local area. The Council should continue to review and improve the arrangements in place as the measures from the written statement of action evolve.	Key	December 2021	As discussed on page 16, the Council have introduced a WSoA that has robust governance arrangements around it. The May 2022 update indicates that good progress is being made against the WSoA.	Partially	Yes – Although progress has been made in the year, we will continue to monitor feedback from CQC/Ofsted as part of our 2022/23 audit procedures.
2	Consideration should be given to performing a dedicated review of savings after implementation and assessing whether there has been any impact on the quality of services.	Improvement	December 2021	The Council is currently exploring how the the benefits realisation role within the Programme Management Office can be used to assess whether there has been an impact on the quality of services for material savings options.	Yes	No

# Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
3	Enhance the distinction between statutory and discretionary spending in the MTFS provided to Cabinet members and published online.	Improvement	December 2021	For the 2022/23 MTFS the Council introduced the concept of 'unavoidable' options for Members as distinct from those where they have a clear policy choice or are part on an invest-to-save project, which is now visible to the general public. They feel this offers a more nuanced position and gives clarity for Warwickshire citizens moving forward.	Yes	No
4	Link the people strategy (workforce plan) expectations to the MTFS.	Improvement	December 2021	Following discussion with management we have marked this recommendation as completed.	Yes	No
5	Incorporate a standard section within reporting to Cabinet and equivalent which sets out legal /regulatory implications, similar to that already provided for financial and environmental.	Improvement	December 2021	Moving forward, members will be reminded, as a standard part of agenda planning meetings, that members have the benefit of legal advice through the report and that all reports have been signed-off by legal and finance.	Yes	No

# Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
6	Review and renew the goods and hospitality policy, as these were due for review in February 2021.	Improvement	December 2021	The gifts and hospitality policy for members was introduced as part of the changes to the Member Code of Conduct approved during 2021/22. However the Council still plans to review the staff gift and hospitality policy as part of the planned governance compliance review.	No	Yes – recommendation carried forward
7	Review of updated arrangements in respect of delegated budgets once these have been fully implemented	Improvement	December 2021	The Council will complete schedule a review following the closure of the 2022/23 accounts as that is when the new approach will have been operational for a year.	Yes	No
8	Review and renew the procurement strategy as this covered the period to 2020.	Improvement	December 2021	Renewed procurement strategy approved in December 2021.	Yes	No

# Opinion on the financial statements



## Audit opinion on the financial statements

We have substantially completed our audit of your financial statements and anticipate issuing an unqualified audit opinion on following the meeting of the County Council on 7 February 2023.

## Other opinion/key findings

We have not identified any significant unadjusted findings in relation to other information produced by the Council, including the Narrative Report, Annual Governance Statement or the Pension Fund financial statements.

## Audit Findings Report

We reported our findings in the Audit Findings Report to the Audit and Standards Committee on 26 January 2023.

## Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the Council. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

We await group instructions however we anticipate that the Council will remain under the threshold set by HM Treasury for detailed procedures and we will therefore only be required to submit an assurance statement.

## Preparation of the accounts

The Council provided draft accounts in line with the national deadline. The quality of the draft financial statements and the supporting working papers continue to be of a good standard.

## Issues arising from the accounts:

As noted adjacent, our audit findings report has been presented to the Audit and Standards Committee on 26 January 2023. As part of this, we did not report any significant findings however note that at the time of writing, we are substantially complete and therefore any additional findings that warrant reporting will be discussed with management and reported to those charged with governance.

## Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation





# Appendices

# Appendix A – Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Risk of significant weakness	Procedures undertaken	Findings	Outcome
We highlighted a potential significant weakness in relation to the conclusions of the joint report issued by CQC and Ofsted in September 2021, which related to arrangements in the provision of the Special Educational Needs and/ or Disabilities service.	<ul style="list-style-type: none"> <li>- We held discussions with senior members of the Council's management team.</li> <li>- Reviewed governance arrangements in place</li> <li>- Reviewed progress update's that were presented to relevant Scrutiny committees.</li> </ul>	Please see page 16 for the review of our findings in the year.	We have not identified a significant weakness in arrangements for 2021/22, however we have raised an improvement recommendation on page 19.
We highlighted a potential significant weakness in relation to the conclusions of the report of the inspection of Warwickshire Fire and Rescue Service released in January 2022.	<ul style="list-style-type: none"> <li>- We held discussions with senior members of the Council's management team.</li> <li>- Reviewed governance arrangements in place</li> <li>- Reviewed progress update's that were presented to relevant Scrutiny committees</li> </ul>	Please see page 17 for the review of our findings in the year.	We have not identified a significant weakness in arrangements for 2021/22, however we have raised an improvement recommendation on page 20.

# Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the Council's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as 'key recommendations'.	No	N/A
Improvement	These recommendations, if implemented should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council's arrangements.	Yes	14, 19 and 20

