

REPORT TO: Audit & Governance Board
DATE: 25 September 2024
REPORTING OFFICER: Director of Finance
PORTFOLIO: Corporate Services
SUBJECT: External Audit Financial Sustainability Letter
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To consider a letter received by the Council from the External Auditor (Grant Thornton UK LLP) regarding the Council's financial sustainability, which will be presented to the Board by the External Auditor.

2.0 RECOMMENDATION: That the contents of the letter from Grant Thornton UK LLP shown in the Appendix, be noted.

3.0 SUPPORTING INFORMATION

3.1 The External Auditor has provided the letter shown in the Appendix to the Council in advance of issuing the 2023/24 Auditor's Annual Report. The latter is shown elsewhere on the Agenda.

3.2 The purpose of the letter is to raise the External Auditor's concerns regarding significant weaknesses in the Council's arrangements for securing value for money. They are required to share them with this Board, which is charged with having responsibility for the Council's governance arrangements.

3.3 The Chief Executive and Director of Finance have met with the External Auditor to discuss the issues raised within the letter. The Council is acutely aware of its financial position and ongoing financial challenges and is taking various steps to address them as a matter of urgency, whilst also continuing a dialogue with Government.

3.4 The Local Government Association (LGA) were asked to give particular focus to the Council's financial sustainability and transformation plans as part of recent Corporate Peer Challenge (CPC), which it is expected will provide a similar assessment when their draft report is received shortly.

3.5 The Council is currently preparing an action plan to address its financial challenges, and this will include responding to the recommendations of both the LGA CPC and the 2023/24 Annual Auditor's Report.

4.0 POLICY IMPLICATIONS

4.1 None.

5.0 FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications from this report, however, the Council's financial position underpins the delivery of all of its services.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence

6.2 Building a Strong, Sustainable Local Economy

6.3 Supporting Children, Young People and Families

6.4 Tackling Inequality and Helping Those Who Are Most In Need

6.5 Working Towards a Greener Future

6.6 Valuing and Appreciating Halton and Our Community

There are no direct implications for any of the Council's priorities listed above.

7.0 RISK ANALYSIS

7.1 The Council must address the issues raised by the External Auditor, in order to provide for its long-term financial sustainability and thereby its ability to deliver services.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 None

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

10.1 None under the meaning of the Act.