

**Report to:** Cabinet

**Date of meeting:** 23 January 2024

**By:** Chief Finance Officer

**Title:** Auditor’s Annual (VfM) Report on East Sussex County Council 2022/23

**Purpose:** To provide Cabinet with Grant Thornton’s Annual (Value for Money) Report for 2022/23

**RECOMMENDATION:**

**Cabinet is recommended to consider and note the Auditor’s Annual Report on East Sussex County Council 2022/23.**

**1. Background**

1.1 The Code of Audit Practice issued by the National Audit Office (NAO) requires the authority’s external auditor (Grant Thornton (GT)) to provide a separate Value for Money (VfM) assessment from the main audit of the statement of accounts. This requirement was introduced from 2020/21, in which GT are required to consider whether the authority has in place proper arrangements to ensure economy, efficiency and effectiveness in the use of its resources. Whilst there is no qualified/unqualified VfM conclusion, the report provides more detail on the authority’s arrangements, together with any key recommendations on any significant weaknesses in arrangements identified during the audit.

**2. Annual Report 2022/23**

2.1 The Annual Report 2022/23 (Appendix 1) sets out the work that GT has undertaken to assess the arrangements the Council has in place to secure economy, efficiency and effectiveness in the use of its resources; with particular focus on risks in respect of financial sustainability, governance arrangements and improving economy, efficiency and effectiveness.

2.2 It is very pleasing to be able to report that no significant weaknesses in the Council’s arrangements have been identified. In reporting this outcome, GT has made 2 improvement recommendations (these are advisory and not mandated) (in 2021/22 there were 5 improvement recommendations) which are summarised below:

<b>Financial Sustainability</b>	<b>Management Response</b>
<p>1. Members and officers must develop a robust strategy to secure financial sustainability over the medium to long term and to retain safe levels of reserves. This must include consideration of the steps to prepare the organisation for another period of significant service transformation, after several years of organisational stability.</p>	<p>We certainly recognise the challenge that we face, and through our well established Reconciling Policy, Performance and Resources process, we will work to establish financial sustainability. Through our lobbying we will seek to secure the short, medium and</p>

This must include a sustainable funding solution for Children Services.	long term funding we need to continue to deliver our services.
<b>Improving Economy, Efficiency and Effectiveness</b>	<b>Management Response</b>
2. The Council needs to complete the external review of the MBOS project to deliver a new integrated finance, payroll and HR system and act promptly on the options presented to ensure an adverse impact on value for money is mitigated or minimised.	Support the recommendation and the work described is underway.

### 3. Conclusion and Recommendation

3.1 The Annual (Value for Money) Report for 2022/23 has identified no significant weaknesses in the Council's VfM arrangements. Whilst putting forward 2 improvement recommendations, these are only advisory and management has responded appropriately.

**IAN GUTSELL**  
**Chief Finance Officer**

Contact Officer: Ian Gutsell, Chief Finance Officer  
Tel. No: 07825 523633  
Email: [ian.gutsell@eastsussex.gov.uk](mailto:ian.gutsell@eastsussex.gov.uk)

Local Member(s): All  
Background Documents  
None