



Auditor's Annual Report for West Lindsey District Council

Year-ended 31 March 2024

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January 2025

Contents



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Key Contacts

Rashpal Khangura
Director
Rashpal.Khangura@KPMG.co.uk

Badar Abbas
Senior Manager
Badar.abbas@kpmg.co.uk

This report is addressed to West Lindsey District Council ('the Council'). We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

	Page
01 Executive Summary	4
02 Audit of the Financial Statements	7
03 Value for Money	11
a) Financial Sustainability	
b) Governance	
c) Improving economy, efficiency and effectiveness	

01

Executive Summary



Executive Summary



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Purpose of the Auditor’s Annual Report

This Auditor’s Annual Report provides a summary of the findings and key issues arising from our 2023-24 audit of West Lindsey District Council (the ‘Council’). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Council alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:



Accounts - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Council and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the CIPFA/LASSAC Code of Practice in Local Authority Accounting (‘the Code’).



Narrative report - We assess whether the narrative report is consistent with our knowledge of the Council.



Value for money - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Council’s use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.



Other powers - We may exercise other powers we have under Local Audit and Accountability Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

Accounts	<p>We issued an unqualified opinion on the Council accounts on [Date]. This means that we believe the accounts give a true and fair view of the financial performance and position of the Council.</p> <p>We have provided further details of the key risks we identified and our response on page 8-9.</p>
Narrative report	<p>We did not identify any significant inconsistencies between the content of the narrative report and our knowledge of the Council.</p>
Value for money	<p>We are required to give an opinion as to whether the Council has appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources.</p> <p>Our opinion is that the Council does have appropriate arrangements in place. We identified no significant weaknesses in respect of arrangements to secure economy, efficiency, and effectiveness in the use of resources. Further details are set out on page 11.</p>
Other powers	<p>See overleaf.</p>

Executive Summary



DRAFT

There are several actions we can take as part of our wider powers under the Local Audit and Accountability Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Council is required to consider it and to bring it to the attention of the public.

We have not issued a Public Interest Report this year.

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Council is taking. We may also apply to the courts for a declaration that an item of expenditure the Council has incurred is unlawful.

We have not applied to the courts this year.

Recommendations

We can make recommendations to the Council. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Local Audit and Accountability Act. If we do this, the Council must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Council does not need to take any action, however should the Council provide us with a response, we will include it within this report.

We made no recommendations under Schedule 7 of the Local Audit and Accountability Act.

We have not raised any other recommendations.

Advisory notice

We may issue an advisory notice if we believe that the Council has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Council is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

We have not issued an advisory notice this year.

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Council. Where we raise observations we report these to management and the Governance and Audit Committee. The Council is not required to take any action to these, however it is good practice to do so and we have included any responses that the Council has given us.

02

Audit of the financial statements



Audit of the financial statements



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KPMG provides an independent opinion on whether the Council's financial statements:

- Give a true and fair view of the financial position of the Council as at 31 March 2024 and of its income and expenditure for the year then ended; and
- Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We conduct our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. We also fulfil our ethical responsibilities under, and ensure we are independent of the Council in accordance with, UK ethical requirements including the FRC Ethical Standard. We are required to ensure that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Our audit opinion on the financial statements

We have issued an unqualified opinion on the Council's financial statements on [Date].

The full audit report is included in the Council's Annual Report and Accounts for 2023/24 which can be obtained from the Council's website.

Further information on our audit of the financial statements is set out overleaf.

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit. **DRAFT**

Significant financial statement audit risk	Procedures undertaken	Findings
<p>Valuation of land and buildings</p> <p>The council adopts a revaluation policy in relation to freehold and long leasehold land and buildings, with a full valuation occurring as at 31st March each financial year. Valuations are inherently judgemental and there is a risk of error that the assumptions are not appropriate or correctly applied.</p>	<ul style="list-style-type: none"> We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information; We evaluated the design of controls in place for management to review the valuation and the appropriateness of assumptions used; We challenged the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement; We agreed the calculations performed of the movements in value of land and buildings and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code; and We utilised our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised. 	<p>We identified one misstatement related to year-end value of surplus land assets. We challenged the Council's valuation basis for sites marked for potential development and upon re-assessment, these sites have been revalued with reference to amenity land rates. This resulted in total decrease in the value of these land assets by £1,484k.</p> <p>We considered the estimate to be optimistic based on the procedures performed due to the optimistic assumptions used in the valuation, however the resulting difference does not lead to a material error.</p>
<p>Valuation of investment property</p> <p>The council engages an external valuer to perform a valuation of investment property. There is a risk that these valuations are not reflective of the fair value of the property.</p>	<ul style="list-style-type: none"> We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information; We evaluated the design of controls in place for management to review the valuation and the appropriateness of assumptions used; We challenged the appropriateness of the valuation; including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement; We agreed the calculations performed of the movements in value and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code; and We utilised our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised. 	<p>We did not identify any material misstatements relating to this risk.</p> <p>We considered the estimate to be balanced based on the procedures performed.</p>



Audit of the financial statements

Significant financial statement audit risk	Procedures undertaken	Findings
<p>Valuation of post retirement benefit obligations</p> <p>The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.</p>	<p>We evaluated the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;</p> <p>We performed inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;</p> <p>We agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;</p> <p>We evaluated the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;</p> <p>We challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;</p> <p>We confirmed that the accounting treatment and entries applied by the Council are in line with IFRS and the CIPFA Code of Practice;</p> <p>Considered the adequacy of the Council's disclosures in respect of the sensitivity of the deficit or surplus to these assumptions; and</p> <p>We assessed the level of surplus that should be recognised by the Council.</p>	<p>We identified one misstatement related to the Council's liability against Local Government Pension Scheme (LGPS). We challenged the Council's assessment with respect to the asset ceiling adjustment. This resulted in additional pension liability of £7,929k. As part of the review, we have also evaluated prior year impact of the adjustment and concurred with management's assessment of it being immaterial.</p> <p>We have also identified few presentational differences in respect of pension disclosures, which have been amended by the management.</p> <p>We considered the overall assumptions to be appropriate and the estimate to be balanced.</p>
<p>Management override of controls</p> <p>Professional standards require us to communicate the fraud risk from management override of controls as significant.</p> <p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<p>We evaluated the design and implementation of controls over journal entries.</p> <p>We assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates indicate a possible bias.</p> <p>We analysed all journals through the year and focused our testing on those with a higher risk.</p>	<p>We did not identify any instances of management override of controls.</p> <p>We did not identify any instances of management bias.</p> <p>We raised a recommendation relating to the ability of journal postings to be made without segregation of duties between poster and approver.</p> <p>We did not identify any material misstatements relating to this risk.</p>



03

Value for Money



Value for Money



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Introduction

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the Council for the following criteria, as defined by the National Audit Office (NAO) in their Code of Audit Practice:



Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services.



Governance: How the Council ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor’s Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We make performance improvement observations where we identify opportunities to improve in areas where we have not identified any weaknesses.

Summary of findings

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	13	16	18
Identified risks of significant weakness?	x No	x No	x No
Actual significant weakness identified?	x No	x No	x No
2022-23 Findings	No significant weakness identified	No significant weakness identified	No significant weakness identified
Direction of travel	↔	↔	↔

Value for Money



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National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to this Council.

Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused Councils to cut services and change the way that services are delivered in order to remain financially viable.

Some Councils have initiated innovative plans to raise new funds, such as through increasing commercial activity. Examples have included purchasing commercial assets such as shops and offices with a view to generate rental income, others have set up novel joint ventures to deliver regeneration schemes. Some have questioned whether commercialisation activities open Councils to excessive risk or could be a poor use of taxpayer monies.

Some Councils have issued what are known as “section 114” notices, in this instance a declaration that they cannot generate sufficient resources to meet the costs they need to incur. In some instances, this has resulted in a need for exceptional financial support from central government (such as approval to sell council buildings to meet costs) and severe cutbacks to services.

Local context

- The Council's General Fund decreased by £745k during the year, with reserves of £23.3m as at year-end. Of these reserves - £20m, are earmarked and remainder £3.3m are above the minimum requirements of £2.5m.
- As part of its Capital Plan the Council spent £5.3m against a budget of £11.6m, resulting in an underspend of £6.3m. This was largely driven by delayed projects.
- There were no adverse inspectorate findings in the year.
- We have not identified any issues from our media review
- We have not identified any issues arising from quality of services provided by the Council.

Financial Sustainability

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How the Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that 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; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Budget setting

The Council's budgeting process starts in June when Business Support Team Leader (BSTL) hold budget setting process meeting with Finance Business Partners (FBPs) of service directorates. This meeting covers budget setting timetable, individual responsibilities and a reminder of the process and specific actions.

FBPs review the controllable budgets within their service areas. They look at the previous 3 years activity and seek to identify areas of savings or increased income and build their own working paper for expected budget requirements prior to meeting with the Budget Managers (BMs). Key assumptions including inflation are agreed through the process.

Capital budgets are reviewed by BM and FBP and uncontrollable budgets like depreciation, insurance, business rates etc. are reviewed centrally by an allocated FBP and entered onto the budget model. The allocation basis for Central Support Services is confirmed with BMs and the calculation of allocations completed once budgets are complete. Further, Parish Councils are invited to submit their estimates of parish precept requirements, followed later in the year by a final agreed precept figure for the budget. The final entries to the Medium Term Financial Plan (MTFP) are usually the funding items – final council tax and government settlement grant.

Ahead of budget finalisation, the Council hold several budget consultation events with the public and businesses to compile feedback. The Council's annual budget is a rolling process as part of the MTFP and effective from 2023/24, budget model is built within the 'One Council' application.

Once all budgets are completed, FBPs and BMs are required to complete a final review of their service areas before the end of December. The MTFP is then prepared ready for inclusion in the Financial Strategy and MTFP report for the Council in March. The final 2023/24 budget was approved by the Council on 6th of March 2023 as part of 'Executive Business Plan 2023/24 to 2025/26'.

Budget monitoring

The Council operate a quarterly Budget Monitoring cycle. The process starts with meeting between BM and FBP to discuss capital or revenue outturn position of respective service directorate. Key budget variances including plans to recover the position are discussed during this meeting. Following the meeting, BM finalise forecast outturn pack (FOP) which is then reviewed by the FBP. At this point, BSTL analyses the data and produces the forecast outturn report which is then incorporated into the monitoring summary reports for Budget Managers / Directors. These budget summary reports are compiled to produce quarterly 'Budget and Treasury Monitoring' for presentation to Corporate Policy and Resource (CPR) Committee.

Financial Sustainability



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Budget monitoring (Continued)

As part of the review, we have reviewed Q4 'Budget and Treasury Monitoring Report 2023/24', presented in CPR Committee meeting. The report highlights the actual and revised budget forecast position for revenue, capital, treasury and staffing budgets. The Executive Summary provided highlights of the budget position and also key budget risks. Significant movements are explained with reference to cluster / service departments, also highlighting the direction of travel for the year-end (positive, negative, stable). Finally, commentary is provided for the status of significant budget items.

We noted that the Council consider the impact of budget variances for MTFP where impact on financial plan is discussed and considered for revision as part of budgeting for following year.

Budget outturn

For 2023/24, the Council set total net revenue expenditure budget of £16.9m initially, later revised to £17.5m. The Council's actual outturn position was positive at £16.7m i.e. underspent of £0.8m.

Efficiency plan

The Council has developed 'Together 24' (T24) Savings and Efficiency Plan with total target of £300k. However, this programme has not been incorporated into 2023/24 financial plan given sufficient fiscal headroom and low budget pressure.

2024/25 Budget

The Council's 'Net Revenue Expenditure' Budget for 2024/25 was set at c.£17.3m including an overall net contribution of £1.196m to General Fund reserves. Total General Fund reserves at the end of 2024/25 are projected at £20.2m including non-earmarked General Fund of £2.6m. The CPR committee set minimum working balance of £2.0m for General Fund. As per Q2 2024/25 Budget and Treasury Monitoring Report of November 2024, the forecast out-turn position is £0.396m net contribution to General Fund reserves

Medium term financial plan (MTFP)

The latest MTFP agreed on 04 March 2024 by the Council shows funding gaps of £0.7m, £1.1m, £1.3m and £1.3m in the periods 2025/26 to 2028/29 respectively. We note currently the Council do not have a formal process (as part of its governance process) regarding identification and development of savings plans, monitoring of progress on savings initiatives and taking corrective action where appropriate. Whilst the Council has a track record of meeting their financial plan, these do present a greater challenge going forward. We do not believe this is a significant weaknesses at this stage, however, if funding gaps and spending pressures become larger alternative arrangements will need to be considered.

Financial Sustainability

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Reserves

Reserve	2023/24 (£m)	2022/23 (£m)
General Fund	3.3	4.7
General Fund Earmarked	20	19.3
Total General Fund Balance	23.3	24

The Council's usable reserves of £28.5m include General Fund reserves of £23.3m, these slightly declined in 2023/24. There is relatively small planned usage of General Fund reserve in 2025/26 with the Council maintaining the minimum level required. Clearly increases in financial pressures will impact on financial sustainability and present a risk to the Council, however to date we are satisfied with the Council's arrangements to maintain financial sustainability.

Conclusion

Based on the procedures performed, we have not identified any significant weaknesses in relation to the Council's arrangements to maintain financial sustainability.

Below we have identified an improvement opportunity. We note this does not represent a significant weaknesses.

Improvement observations:

- The Council should consider the appropriateness of its arrangements regarding the identification and development of savings plans and monitoring of progress on savings initiatives in the context of the level of future savings.

Key financial and performance metrics:	2023-24	2022-23
Planned net revenue expenditure	£16.9m	£14.5m
Actual net revenue expenditure	£16.7m	£15m
Usable reserves	£28.5m	£28.1m
Gross debt compared to the capital financing requirement	0.65:1 (CFR £37m)	0.55:1 (CFR £39.4m)
Year-end borrowings	£24m	£21.5m
Year-end cash and cash equivalents position	£17m	£18.2m

Gross debt compared to the capital financing requirement: Authorities are expected to have less debt than the capital financing requirement (i.e. a ratio of under 1 : 1) except in the short term, else borrowing levels may not be considered prudent.

How the Council ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Risk management

The Council has a comprehensive 'Risk Management Strategy' in place to identify, monitor and manage business risks. Different types of risks i.e. strategic, operational, programme etc. are defined based on level of risk impact. A process of identification of emerging risks is defined where adverse factors impacting the objectives of the Council's Plans and Policies are identified as risks. Once identified, risks are recorded in the risk register and an owner of the risk is allocated for accountability and effective risk management. Each risk is assigned an 'inherent' risk level score from the range of 1 (Lowest) - 16 (Highest) based on impact and likelihood.

While the Council has ultimate responsibility of risk management, monitoring and reporting of risk is carried out at different levels. Strategic risks are managed and reviewed by the Management Team and are also presented for the review to the Governance & Audit Committee (G&AC) on a six-monthly basis. Service Risks are reviewed regularly via monthly service team meetings and are managed at an operational level.

Anti-fraud controls

The Council undertake a number of measures to prevent and detect fraud. There is an 'Anti-fraud and corruption policy'. This sets out key actions for the Council to ensure compliance in terms of anti-fraud arrangements in place. Roles and responsibilities of executives, staff and auditors to promote a prevention of financial crime culture are defined in the policy.

An Annual Counter Fraud Report is prepared by the Director of Corporate Services and presented to the G&AC. Findings of the report are reported to members of the committee and follow-up actions /recommendations are assigned to management. The Council also receive assurance on anti-fraud controls through the work of internal audit.

Financial plan 2023/24 and budget monitoring

The Council's financial plan for 2023-24, as part of the MTFP, went through several levels of review prior to approval by the Council in March 2023. Financial performance, against the budget is regularly monitored as outlined in the Financial Sustainability section. As part of quarterly 'Budget and Treasury Monitoring Report' to CPR Committee, significant variances against budget are clearly identified and explained with reference to change in position i.e. improved, no change or worsened. Any mitigating actions are also identified. For 2023/24, the Council set total net revenue expenditure budget of £16.9m initially, later revised to £17.5m. The Council's actual outturn position was positive at £16.7m i.e. underspent of £0.8m.

Governance

Compliance with laws & regulations

The Council's Monitoring Officer is responsible for monitoring compliance with all relevant/applicable legal requirements. As per Constitution, the Monitoring Officer, after consultation with the S151 Officer, will report to the Council if she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given, or would give rise, to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered. Management inquiries have confirmed there have been no breaches of legislation or regulatory standards that has led to an investigation by any legal or regulatory body during the year.

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Standards of behaviour

The 'Officer Code of Conduct' defines standard behaviour of the members of staff including anti fraud, anti corruption, gifts and hospitality policy. It also requires staff to disclose and register in the Register of Interest if they have relationship with contractor or supplier. It also covers the safeguard of respective staff member against harassment or victimisation, confidentiality and allegations. The Council also has separate 'Prevention of Financial Crime Policy, Anti-Fraud and Corruption Policy and Anti-Bribery Policy' to ensure safeguard of the Council's interests.

Decision making process

Our risk assessment procedures and management inquiries confirm the Council has appropriate arrangements in place to ensure scrutiny, challenge and transparency of decision making. The Council's 'Financial Procedure Rules' and 'Contract & Procurement Procedure Rules' form part of the Constitution and set business rules for key decisions to ensure transparency and proportionality. Key decision making is subject to discussion and scrutiny at executive team level and relevant sub-committees such as CPR Committee, followed by formal approval by the Council.

	2023-24	2022-23
Control deficiencies reported in the Annual Governance Statement	One limited assurance from internal audit review in 2024-25	None identified
Head of Internal Audit Opinion	Substantial assurance	Overall Performing well
Local Government Ombudsman findings	No significant findings	No significant findings

Conclusion

Based on the procedures performed, we have not identified a weakness associated with governance arrangements.

Below we have identified some improvement opportunities. We note these do not represent a significant weaknesses.

Improvement observations:

- During our review, we have noticed that the Council's Risk Management Strategy has not been updated for latest period. The Council's previous strategy was for the period 2019-23 and it has not been revised after the end of five year period. We would recommend that the Council should update its Risk Management Strategy.
- During our review, we have noticed that the Council's record of contract exceptions is not a robust document which records the value of the contract, reason for exception and the approval process followed. We would recommend that the Council should formalise documentation of contract exceptions to ensure greater transparency and compliance with the procurement rules.



Improving economy, efficiency and effectiveness

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How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council 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; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

Performance of services

We have found appropriate arrangements and processes in place to support the Council in using information about costs and performance to improve the way services are managed and delivered, with a focus on the level of value for money being achieved. As per the Council's 'Performance Management Policy', while CPR Committee is responsible for the overall performance framework, 'Prosperous Communities Committee' (PCC) has wider visibility and transparency of the Council's performance.

The Council's 'Progress and Delivery Performance Measures and Targets 2023/24' were approved by the CPR Committee identifying 53 KPIs across 6 different portfolios. Monitoring of these targets is carried out through quarterly 'Progress and Delivery Report' presented to PCC. As per Q4 report, the Council exceeded target for 42 KPIs, 2 KPIs remained within tolerance while 9 KPIs are assessed as below target. The Council has also 'Performance Improvement Plans' (PIPs) in place for measures which report below target for two or more consecutive periods.

Benchmarking

The Council is affiliated with APSE (Association of Public Service Excellence) to collaborate and benchmark its service delivery efficiency with other public bodies. APSE is a not for profit unincorporated association working with councils throughout the UK to assess the performance across service delivery and energy efficiency. At year-end, the Council submit its service delivery data to APSE and then benchmarking reports are issued by APSE giving the Council an opportunity to reflect and improve its service delivery.

Partnerships

The Council has partnered with other local organisations to support economic, efficient and effective delivery of public services. The Council is a member of the Central Lincolnshire Joint Strategic Planning Committee to set out a more strategic vision for western Lincolnshire and to take a unified approach to the promotion and growth of the wider Lincoln region. The Council is also a key partner in 'Greater Lincolnshire Local Enterprise Partnership' that aims to increase productivity by supporting local businesses to create jobs.

The Council also appointed Scampton Holdings Limited as its development partner for the RAF Scampton site. The Council partnered with the Lincolnshire Waste Partnership to provide sustainable waste management services for the whole of Lincolnshire and is a key partner of 'Wellbeing Lincs' with other Lincolnshire District Councils to deliver the wellbeing service across the county.

Conclusion

Based on the procedures performed, we have not identified a significant weakness associated with arrangements around improving economy, efficiency and effectiveness.



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