

<b>Classification:</b> Open	<b>Decision Type:</b> Key
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<b>Report to:</b>	Audit Committee	<b>Date:</b> 09 January 2025
<b>Subject:</b>	Council response to the Statutory Recommendation received from the External Auditor under Schedule 7 of the Local Audit and Accountability Act 2014	
<b>Report of</b>	Director of Finance	

## Summary

1.1 The Council's external Auditors, Forvis Mazars, presented the outcome of their audit work in relation to their judgements in the area of the Council's Value for Money arrangements for the 2021/22 and 2022/23 financial years to the December Audit Committee meeting. They identified three significant weaknesses in the Council's arrangements. These weaknesses are across all three reporting criteria that they are required to consider under the Code of Audit Practise, namely; financial sustainability, governance and for improving the economy, efficiency and effectiveness of services.

1.2 In particular, they drew attention to the Council's failure to:

- Properly understand its financial position during 2021/22 and 2022/23, and to continue to rely on the use of reserves to support the provision of services, which are at risk of being exhausted.
- Manage risks, including with respect to the existence of RAAC (reinforced autoclaved aerated concrete) in the Council's estate.
- Improve internal controls so that weaknesses identified and reported to management by Internal and External audit and other regulators are addressed promptly.
- Prepare materially accurate financial statements supported by adequate supporting working papers; and
- secure action to improve services to children.

1.3 Forvis Mazars determined that use of their statutory reporting powers under the Local Audit Accountability Act 2014 was necessary and issued a statutory recommendation formally to the Chief Executive on 12 December 2024. They have recommended that

*“The Council should, as a matter of urgency, develop a comprehensive Councilwide improvement plan to reflect the transformation and cultural change needed across all departments, to ensure the Council can deliver the range, level and quality of services that it deems appropriate and within its statutory responsibilities in a financially sustainable way.*

*As part of this, appropriate senior leadership and management is required to ensure the improvement plan delivers the required changes. Member oversight is needed to ensure the changes are embedded into the organisation.”*

- 1.4 This recommendation was sent to the Secretary of State for Housing, Communities and Local Government. The Council is required to consider the recommendation at a meeting held before the end of the period of one month beginning with the day on which the recommendation was received. At that meeting, the Council must decide what action, if any, to take in response to the recommendation. The Council is required to publicise the meeting and, subsequently, the decision taken at the meeting.

### **Recommendation(s)**

The Audit Committee is asked to:

- 2.1 Note the issues raised by the external auditors and progress made since 2021 to mitigate highlighted risks.
- 2.2 Accept the auditors statutory recommendation to deliver an organisation improvement plan.
- 2.3 Endorse the proposed action plan for adoption and inclusion on the work plan for the Audit and Overview and Scrutiny Committees respectively ensuring Member oversight of delivery of the action plan.

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### **Background**

#### **3. Reasons for Recommendation(s)**

In accordance with the Accounts and Audit Regulations 2015 (as amended) the Draft 2021/22 Statement of Accounts and Annual Governance Statement were signed by the Executive Director for Finance (S151 Officer) in 2022 and 2023 respectively. This information was provided to the Council's external auditors, Forvis Mazars. The legal framework for local government external audit includes a backstop date by which audit activity must be completed, which was 13 December 2024 for the 2021/22 and 2022/23 accounts. The backstop date for the 2023/24 accounts is 28 February 2024.

Forvis Mazars have, regrettably, concluded that there is insufficient time to complete their audit activity before the backstop dates, as the council is still working to retrospectively strengthen information pertaining to these years. In particular, extensive work has been undertaken to retrospectively correct some historical financial information and definitive investigations to confirm the absence of RAAC in every council building which was not fully complete in advance of the backstop date.

The Council's external auditors therefore issued a disclaimed opinion for these years and also identified significant weaknesses in the Council's Value for Money arrangements. In particular a failure to:

- Properly understand its financial position during 2021/22 and to continue to rely on the use of reserves to support the provision of services.
- Manage risks, including with respect to the existence of RAAC in the Council's estate.
- Improve internal controls so that weaknesses identified and reported to management by Internal and External audit and other regulators are addressed promptly.
- Prepare materially accurate financial statements; and
- Secure action to improve services to children.

A statutory recommendation for improvement has also been issued, as follows: *"We recommend the Council should, as a matter of urgency, develop a single Council-wide improvement plan to reflect the transformation and culture change needed across all Council departments to deliver the range, level and quality of services that is financially sustainable. Appropriate management and member oversight is required to ensure the improvement plan is delivering changes that are embedded into the organisation."*

This report sets out a reminder of the challenging context in which the audit findings have been provided, together with:

- assurance of significant progress already made to tackle highlighted historic failings identified, together with
- the proposed improvement plan, as required, to further strengthen the council's position.

#### 4. Operating Context 2021-2023

The 2021-23 audit findings relate to a very challenging period operationally. During this time the Council was a statutory responder during and in the recovery phase from the global pandemic. Stark increases in the volume and acuity of demand were and continue to be experienced in addition the financial situation was hugely disrupted and worsened with significant drops in income and increased costs including inflation.

The Council responded to this challenge in 2022 with the engagement of external support, from Ameo Consulting, to review the structures and resources across all Council services and support the construction of a new operating model and multi-year transformation strategy.

A new operating model was co-designed with staff through a network of c100 Change Agents; establishment of a Senior Manager's Forum and Senior Leaders' Group (Directors and above) and the LET'S do it! Experience; an immersive programme to explain and develop the behaviours and operating principles in which c1500 staff have so far engaged. It comprises:

- A brand-new **vision** for the Borough which also guides the work of the Council: to drive faster economic growth than the national average, with lower than national levels of deprivation by 2030

- A set of **principles** about how this vision will be delivered – by working Locally; with Enterprise; Together and on a strengths-based way (LET'S)
- A **behaviour** framework which also expresses the principles as common ways of working
- A digital strategy; updated architecture & investment in the ICT service provides the core **technical capability** for digital by design
- The Council was **restructured** to establish a corporate core; integrate health & care with the GM ICS; strengthen children's services and insource its housing functions
- The Constitution and procedure rules have been re-written; a **governance** group created & management accountability improved. The details of these new arrangements are described in more detail later in this report.

The new operating model and associated corporate governance was validated in 2023 and in a revisit in 2024 by the Local Government Associated (LGA) through a Corporate Peer Review, including a specific focus on financial improvement. The review findings included a comment that "People can see how Bury as a place is changing and are really positive about the difference this represents". The peer review reports are attached as appendices to this report.

## 5. Analysis and actions taken against identified legacy failings

The Council recognises the weaknesses highlighted by external auditors and has undertaken significant remedial work to seek to strengthen the position. This report provides a summary of work undertaken on each of the issues identified together with the further work proposed.

### 5.1 The Council's understanding of its financial position and over-reliance on reserves

The auditors have highlighted that since 2021/22 the council has balanced its budget through the use of reserves, which is an unsustainable position. The council recognises this challenge and self-declared its financial distress in 2023, with reference to the challenges of evidenced:

- National under-funding. Analysis by the Institute of Fiscal Studies (IFS) shows that Bury receives 8.5% less funding (£14m) than the sector average, in the context of a real-terms funding reduction of 20% since 2010, against a national sector average of 18%.
- Escalating demand over that time including c15% increase in social care demand, where the majority of budget is allocated.

The Council engaged the Chartered Institute of Public Finance Accountants (CIPFA) to undertake a financial resilience audit in 2022 in order to better understand its position. A number of CIPFA-accredited consultants were retained by the new Chief Executive in 2023 to support the implementation of actions, which included a review of the professional finance structure; a Treasury Management review and reserves strategy.

To sustain services despite reductions in funding and growth in demand it has been necessary to utilise reserves to support the general fund budget since 2021. A fundamental review of the reserves strategy was undertaken in 2023 to continue to support the Medium Term Financial Strategy (MTFS), through which @£70m was

released from earmarked reserves to sustain a balanced budget until (at that time) 2027/28.

Further external support to ensure the Council had an accurate understanding of its financial position was secured in 2023 through a Local Government Association (LGA) Peer Review. The Peer Review, which was commissioned with a particular focus on the financial position and support from a S151 from another Authority, to verify the 2023/24 budget setting process and updates to the financial framework.

## **5.2 Risk management, including RAAC**

Risk management has been strengthened through a review of the Corporate Risk Register and, with the benefit of leadership from the Audit Committee, a strengthened process of accountability whereby high-risk owners are required to present to committee. Through this process the Audit Committee oversaw the management of a number of high-risk situations including:

- information governance, in which the Council proactively sought engagement from the Information Commissioner's Office (ICO) in 2021 with a voluntary audit process. The Audit Committee experienced a development session on information governance and oversaw a fundamental improvement plan. The ICO made 79 recommendations for improvement and undertook a follow up audit in 2022 to confirm that progress against them was being made. The audit established that every recommendation was either complete or in progress. Accordingly the ICO concluded its direct engagement with the Council and information governance has returned to business as usual management arrangements with regular updating reports to Audit Committee.
- recovery of the deficit in the DSG budget High Needs Block, through delivery of a management plan in partnership with the DfE within the Project Safety Valve scheme. The committee sought assurance on delivery of management plans through a "deep dive" process, which described work to seek to reduce both the volume and cost of demand. Subsequently, it was agreed with the DfE that demand was accelerating at a level significantly above the original assumptions and that progress to deliver in-borough placement sufficiency could not be delivered at a speed commensurate with this growth. The Council therefore completely revisited the Safety Value agreement and resubmitted it for new approval in 2023. The DfE accepted the revised plan, which resulted in a new agreement and extension of arrangements to 2028/29.

Council Officers have a track record for working transparently and in partnership with regulators when managing high risk situations. The internal governance and control process has not, however, always been robust enough to proactively support risk management, nor is there yet an embedded culture of risk management.

This situation was exemplified through the failure to accurately identify and mitigate against the risk of the presence of RAAC in the Council's estate. All buildings have now been surveyed and appropriate assurance provided, but this programme of assurance should have been more proactively and comprehensively completed in 2023.

## **5.3 Improvement in internal controls**

The Council has invested significantly in capacity to shore up compliance activity including:

- The appointment of a dedicated and very experienced Director of Finance (Section 151 Officer) with a remit to drive finance improvement. Between 2021-23 the Council operated a joint finance leadership arrangement with NHS GM, through the secondment of a senior NHS finance leader. It was acknowledged, however, that this was insufficient leadership capacity to discharge this leadership role. Further, the council required sector-specific leadership expertise given the challenging context in which it is operating.
- A peer review of the internal audit function has been undertaken in the final quarter of 2024. The Public Sector Internal Audit Standards require that an external assessment of an organisation's internal audit function is carried out once every five years by a qualified, independent assessor or assessment team from outside of the organisation. The latest review has been undertaken in the final quarter of 2024 with the report and resulting agreed action plan to be finalised in the new year and the outcome reported to the Audit Committee meeting in April. The action plan will be focused on driving improvement in the service and recognises that A professional, independent, and objective internal audit service is one of the key elements of good governance in local government.
- Establishment of a Corporate Governance Group in 2023, chaired by the Council's Monitoring Officer. In addition, a new Policy and Compliance team has been established. Outstanding audit actions were added to the work of the group however this needs significantly strengthening and it is proposed that the group revised in line with the proposed governance arrangements set out later in this report.

#### **5.4 Preparation of materially accurate financial statements**

The Council recognised the historic weakness of its finance capabilities. A voluntary Finance Improvement Panel was therefore established in 2023, with representation from CIPFA and the LGA, to oversee the setting of the 2023/24 budget and deliver a series of improvement actions including:

- Appointment of a substantive S151 Officer.
- A fundamental review of the council's reserves policy.
- An update to the Treasury Management Strategy.
- The specification for an upgrade to Unit 4 to improve data accuracy and cleanse the ledger.
- Investment of Programme Management support to deliver the 23/24 budget savings.

The Finance Improvement Panel, with the benefit of independent benchmarking data, also led a zero-based budget exercise across every departmental service. The work evidenced a structural funding gap of c£17m for children's social care which was addressed in the 2023/24 budget. The appropriate and evidenced funding of children's services has supported the ongoing delivery of the Ofsted improvement plan but has also placed significant recurring pressure on the general fund and size of future years funding gaps.

A refreshed finance improvement plan will continue in 2024/25 with actions planned to include:

- A review of the structure and capabilities of both the finance team and Revenues and Benefits services.
- Strengthening capital programme governance.
- The upgrade of Unit 4, as a lever for wider transformation activity to cleanse data and enable user self-service and accountability.

## **5.5 Improvements in children's services**

Ofsted found Bury Council's children's social care services to be inadequate in 2021. A fundamental improvement plan has been delivered since that time, with actions including:

- Significant investment in stable leadership and additional social work capacity
- Production of a policy and strategy frameworks including a thresholds document and neglect strategy.
- A safeguarding partnership refresh and peer review to validate new and improved arrangements.
- Implementation of new models of practice included the Mockingbird model for foster carers and Family Safeguarding model.
- Development of corporate parenting arrangements including a new housing strategy for care leavers and supported employment opportunities.

Six Ofsted monitoring visits of delivery against the improvement plan have now been completed, with leadership support from the DfE and an Ofsted Improvement Board Chair. The visits have largely recognised evidence of progress including the timeliness of care; an improvement in practice ratings through internal audits, overseen by an independent scrutineer; a reduction in numbers of re-referrals and a reduction in the case loads of social workers to provide more stability for our children.

Since this audit period the Local Area has also been found to have inadequate SEND services. Through the Project Safety Valve recovery programme the Council had already recognised significant failings in its SEND services and was already working with an independent improvement advisor before the inspection; this individual has now become the Independent Chair of an improvement board. The Board is leading delivery of six defined Priority Impact Actions and a further three recommendations, in conjunction with the Bury Parent Carer Forum Bury2Gether. The first stocktake from DfE has now been completed to validate progress against plan to date.

## **6. Improvement Plan**

Whilst the narrative above has clearly highlighted the actions and progress already made in addressing some of the issues identified in the External Auditors value for money review and related statutory recommendation, the council recognises that there is more to be done and the proposed actions, owners and target timelines are outlined in the action plan attached at Annex 1. This plan sets out how Bury Council will respond to the recommendation issued under paragraph 2 of Schedule 7 of the Local Audit and Accountability Act 2014.

The areas of focus are around financial sustainability, governance and finance service capacity:

The plan provides a comprehensive Council-wide Improvement plan which reflects the transformational and cultural changes which the Council and the Auditors recognise are needed across all Council departments to ensure the Council can deliver the range, level and quality of services that it deems appropriate and within its statutory responsibilities in a financially sustainable way.

The plan identifies a range of actions across the Council. The Chief Executive will have overall oversight of the delivery of the improvement plan.

### **Financial Resilience**

The Medium Term Financial Strategy has been reviewed and refreshed with the outcome and impact on the forecast funding gap reported to November Cabinet. The report identified a forecast funding gap of £19.458m in 2025/26 increasing to £22.327m by 2027/28 and included new savings proposals of £9.4m and a financial strategy to address the remaining gap which will be then subject to consultation and the outcome reported back through to Cabinet and Council.

The level of reserves is sufficient, based on the current forecast funding gap, to enable budgets to be set for 2025/26 and 2026/27 but not 2027/28, however work is continuing to identify budget proposals which will significantly reduce the forecast gap and impact on reserves in 2025/26 and beyond and ultimately enable budgets to be set over the medium-term without recourse to reserves and therefore achieve a financially sustainable position.

Further budget proposals targeted at significantly reducing the forecast 2025/26 budget gap will be considered by Cabinet at their meeting in February prior to the budget council meeting later that month.

A strategy has been developed to support this next phase of budget work, which is framed over the four themes of:

#### Income:

- This includes ensuring that the strategic development activity is fully reflected in increased funding levels, all sales, fees and charges are reviewed to ensure they cover the full cost of service delivery, review of all grants and the applications of capital receipts to support transformation expenditure within the revenue budget in line with permitted flexibilities.

#### Non-Statutory Service Transformation:

- This includes looking at the scope for becoming more cost-effective and efficient in our service delivery models including opportunities for automation and process improvement with a good example being the transformation work linked to the upgrade of Unit 4 which will come to a future Cabinet meeting and has £1.653m of efficiency savings linked to it over the four-year period of 2025/26 to 2028/29. This will be supported by the identification of the current cost of all non-statutory services currently being provided and options for cost reductions.



#### Contain Growth / Demand Pressures:

- A significant proportion of the forecast funding gap is the result of ongoing increasing demand, and the cost of meeting that demand, particularly Children's and Adults Social Care. Whilst these are national issues and pressures not unique to Bury, focused activity is being undertaken to look at our current demand pressures and growth assumptions and develop proposals for how they can be further mitigated supported by a detailed analysis of our budgets and benchmarking information. Reducing the demand for, and spend on, services, particularly on social care through applying strengths based practice to maximise individual's capacity to live independently will deliver a reduction in the forecast funding gap.
- In addition it is recognised that the largest area of spend within the council relates to our contractual expenditure across all service departments and. An approach is being developed, based on best practice, focused on the financial and service outcome benefits of improving the alignment of strategic commissioning and procurement across the council along with embedding consistent and effective contract management arrangements. The approach will be overseen by the Finance Board and will ensure going forward that procurement activity is integrally linked to providing best value and improved service outcomes in support of the corporate priorities and, once let, that the contractual terms are strongly adhered to.

#### Health and Care:

- Whilst a significant focus on containing growth and demand in theme 3 above will necessarily be focused on Adults and Children's Social Care, a growing proportion of the council's budget is covering these areas and a focused programme of activity is underway to identify additional proposals designed to reduce the council's overall cost of care from the assumptions outlined currently within the MTFs. This will necessarily look at both the actual cost of services being commissioned and the approach required to accelerate a shift to lower cost models of support.
- The budget position to be reported to Cabinet and Council in February will also reflect the outcome of the local government finance settlement, which is anticipated to result in an improved funding position for the council and reduction in the forecast funding gap, with the Chancellor's budget and spending review at the end of October including headline announcements regarding additional funding for local government in 2025/26, to reflect the significant financial pressures across the system, and a commitment to a multi-year settlement from 2026/27 and a review of the current funding formula.

It is recognised that a funding gap is likely to remain for 2025/26, which will be funded from reserves, with further work to be undertaken over the spring and summer to develop proposals which will enable a financially sustainable budget to be delivered from 2026/27 onwards without recourse to reserves.

#### **Governance**

The council will establish improved governance arrangements through the Establishment of six new assurance boards to ensure that there is a culture of compliance across the Council, the Boards will provide management oversight across Council activity and the work of the Boards will align to the corporate plan.

The Boards will meet on a monthly basis and be Chaired by a Member of the Executive Leadership Team with a monthly highlight report. The Board membership will be made up of leaders across the Council.

The Boards will report to the Executive Leadership Team who will meet formally on a weekly basis with highlight reports from each of the Boards being standing agenda items. Reports received will be formally minuted and action tracking will be undertaken by the Chief Executive's office. The Boards and their responsibilities are outlined below:

**Finance Board – Chaired by the Director of Finance**

- Preparation of MTFs and Council revenue budget and capital programme.
- Budget monitoring – general fund; DSG (including PSV recovery), capital and HRA.
- Grant funding monitoring – Supporting Families; UKSPF etc.
- Monitoring of savings.
- Treasury management.
- Procurement, Strategic Commissioning and Contract Management.
- Gateway for and delivery of the Councils capital programme including financial reports from the Commercial, Property & Estates Boards.
- Income monitoring.

**Governance and Assurance Board – Chaired by Director of Law & Governance**

- Information Governance.
- Complaints & Ombudsman.
- Risk – review and assurance, Annual Governance Statement.
- Internal Audit – annual programme agreement, delivery & action tracking.
- Health & Safety.
- Legal overview – Matters for escalation.
- Employee relations – case work.
- Tracking of cabinet decisions/urgent decisions.
- Operational decisions.
- Regulator interface – housing; ASC; SEND & ILACS.
- Oversee audit organisation improvement plan.

**Regeneration Board – Chaired by Director of Place**

- Assurance to be provided on commercial/regeneration programmes including (but not limited to):
- Bury Market flexi hall
- Future of Bury market / indoor market strategy
- Radcliffe regeneration
- Prestwich development– JV
- Bury Town Centre – JV

- Northern gateway
- Chamberhall
- NORA
- Delivery of brownfield land regeneration projects
- Oversight of the accelerated land disposal programme
- Housing projects
- Transport and highways projects

#### **Commercial activity Board – Chaired by the Director of Finance**

- Assessment of investments, assets, and projects may impact on council-wide budgets both in the short- and medium-term.
- JV decision making.
- Persona performance and decision making.
- East Lancs Railway strategy & relationship management.
- Council companies – Six Town Housing; Townside Fields.
- Traded service performance – council leisure centres and schools.
- Community sector funding & relationships – The Met; VCFA & Healthwatch contract management.
- Tracking of work of Bury BID

#### **Policy, Change and Digital Board - Chaired by the Executive Director of Transformation**

- Corporate planning and monitoring, including KPI monitoring and benchmarked relative assessment.
- Transformation activity – Strategy and Assurance.
- Corporate change – restructure activity and employee relations oversight.
- Policy review & design.
- Digital strategy delivery & programme oversight.
- Workforce & Inclusion strategy.
- Corporate plan delivery.
- GM & devolution agenda.

#### **Property & Estates Board – Chaired by the Director of Place**

- Production and maintenance of a single fixed asset register.
- Leasing arrangements – regular review of leasing arrangements.
- Facilities Management and maintenance of the council's administrative and commercial estate, including health and safety / statutory compliance activity.
- Performance and strategy of the commercial estate.
- Development of the Town Hall.
- Management of the agile working staff policy.
- Delivery of the Future Assets Plan.
- Maintained schools estate.
- Housing.
- Neighbourhood hub model/reform strategy

## **Revised leadership structure – Embedding compliance**

A consistent structure will be applied to Departmental Management Teams, which will support the Board structure by providing oversight and assurance of Business-as-Usual activity including workforce and budget management. The Head of Audit will attend Departmental Management team meetings on a quarterly basis to ensure that the services discuss the recommendations of internal audit, the Head of Audit will also be a member of the Corporate Governance and Assurance group who will review audit actions and report to the Executive Leadership Team and the Member Assurance Group.

The Strategic Leaders' Group of Council Directors will continue to meet on a quarterly basis with a specific remit to develop:

- A culture of strong performance and assurance where performance and assurance issues are identified and addressed.
- A culture of empowerment and accountability where robust challenge is encouraged and supported by management with a low tolerance for poor governance and performance issues.

## **Revised PDR processes**

All PDR's will have a section to establish whether compliance actions have been carried out. This will ensure that this is clearly linked to staff members performance discussions with their managers. The importance of internal compliance and control arrangements will be emphasised within our induction process for all staff and compliance monitored through one-to-one discussions / management arrangements and appropriate actions taken to address non-compliance.

All Members of Executive Membership Team to account for compliance in their departments via 1:1 with the Chief Executive and PDR's.

## **Finance capacity**

- Implementation and recruitment to a new finance structure to address capacity issues.
- Upgrade of the Unit 4 ERP Financial Management System, which represents a significant financial and operational transformation. The current financial management system is nearing the end of its life, and its limitations pose risks, including inefficiencies, compliance issues, and a lack of automation. The implementation of a modern Unit4 ERP solution to address these issues will enable the finance department to achieve its strategic objectives.

Investment has been agreed for the finance service with a revised phase 1 structure being consulted on early in 2025 with implementation and recruitment being undertaken in advance of the new financial year. This will be supported by a transformation programme linked to an upgrade of the Unit 4 financial management system.

Key strategic objectives for this financial transformation programme include the following:

- **Ensure Stabilisation, System Upgrade, and Enhance Existing System:** Facilitate the stabilisation, upgrade, enhancement, and seamless migration of the current Financial Management System (FMS) to the Unit4 ERP cloud platform, ensuring minimal disruption and smooth transition.
- **Integrate and Modernise Financial Management:** Implement the new Unit4 ERP system, coordinate its configuration, and rigorously test it in alignment with the Council's broader IT architecture to create a modern, agile, and integrated financial management environment.
- **Streamline Financial Processes:** Drive the standardisation and automation of financial processes across the organisation to eliminate inefficiencies, reduce manual effort, and increase operational efficiency.
- **Redesign Financial Functions for Optimised Performance:** Redefine and restructure the financial functions across the Council to fully leverage the capabilities of the new system, fostering strategic decision-making and enhancing overall financial management.
- **Transform Procurement and Purchase-to-Pay (P2P) Processes:** Overhaul procurement, purchase-to-pay and supplier management to improve compliance, drive significant cost savings, and ensure better financial control and supplier management.
- **Automate and Integrate Systems:** Implement automation and ensure all key finance-related systems are fully integrated to streamline processes and reduce administrative burdens and to automate processes and enable self-service
- **Improve Data Accuracy and Financial Reporting:** Enhance the accuracy and timeliness of financial data and reporting, ensuring that decision-makers have access to reliable and real-time financial insights.
- **Reduce Operational Costs While Strengthening Governance:** Focus on cost reduction through operational efficiency while bolstering governance structures and ensuring full compliance with financial regulations and policies.
- **Enhance Staff Capabilities for Effective System Use:** Develop and enhance staff capabilities to fully utilise the integrated Unit4 ERP system and related financial tools, providing training and support to improve productivity and contribute to the Council's financial transformation.
- **Support Broader Council Transformation Initiatives:** Align financial transformation initiatives with the Bury 2030 Strategy and the Council's wider digital and organisational transformation goals, creating a foundation for long-term sustainable change.

## Children services

Children's services have two detailed improvement plans in place with delivery overseen by two boards with Independent Chairs. Children have had six progress inspections with OFSTED and are now looking to a full reinspection in early 2025. Oversight of the preparation for this and oversight of the work of the children's improvement boards will now report to the Corporate Assurance Board and Member Assurance Group.

The proposed improvement plan for adoption and review is attached at Appendix 1.

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**Links with the Corporate Priorities:**

The production and publication of the Statement of Accounts and value for money opinion provides valuable information to the residents of the Council and to its suppliers.

A strong financially sustainable Council is essential to the delivery of the Let's do it Strategy.

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**Equality Impact and Considerations:**

The statement of Accounts and value for money opinion is a record of past financial expenditure and the value for money arrangements in place at that point in time.

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**Environmental Impact and Considerations:**

There are no implications to an increased carbon impact of this decision.

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**Assessment and Mitigation of Risk:**

Risk / opportunity	Mitigation
There is a risk of misstatement	Accounts are reviewed by Mazars and their opinion of both set of accounts is independent to the Council

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**Legal Implications:**

In accordance with Sch. 7 Local Audit and Accountability Act 2014 where auditors make a written recommendation, the Local Authority must consider the report at a meeting within one month of receipt of the notice.

The Act sets out that *at that meeting the relevant authority must decide—*

*(a) whether the report requires the authority to take any action or whether the recommendation is to be accepted, and*

*(b) what, if any, action to take in response to the report or recommendation*

Notice of the meeting, document and access requirements have been met in accordance with the Act. It is proposed that any agreed actions are reviewed by Members with Audit and Overview and Scrutiny Committee receiving regular reports on the Council's progress.

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**Financial Implications:**

The annual production and audit of the statement of accounts and review of value for money arrangements are an essential part of any organisation and represent the financial position of the business for that particular financial year. For public sector organisations they are statutory and give the public and central government assurance that taxpayers money is being expended in an economic and efficient way. Approval of the improvement plan and the ongoing review of its delivery will provide assurance that the issues identified by the external auditors are addressed.

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**Appendices:**

Appendix 1: Council Improvement Plan

Appendix 2: Corporate Peer Review Feedback Report 2023

Appendix 3: Corporate Peer Review Progress Report 2024

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**Please include a glossary of terms, abbreviations and acronyms used in this report.**

<b>Term</b>	<b>Meaning</b>
MTFS	Medium Term Financial Strategy