

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BOROUGH OF LEWISHAM (the "Authority")

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2018 issued on 28 September 2018 we reported that in our opinion the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2018 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Issue of audit opinion on the pension fund financial statements

In our audit report for the year ended 31 March 2018 issued on 28 September 2018 we reported that in our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2018 and of the amount and disposition at that date of the fund's assets and liabilities;
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Issue of qualified conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

In our audit report for the year ended 31 March 2018 issued on 6 March 2019 we reported a qualified conclusion.

Qualified conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, except for the effects of the matters described in the basis for qualified conclusion section of our report, we are satisfied that, in all significant respects, the London Borough of Lewisham put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

Basis for qualified conclusion

Our review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources identified the following matters:

- The Authority embarked upon a £10.6m transformation programme to transform ways of working and service delivery. Our review of the Authority's arrangements to support effective governance of the transformation programme identified weaknesses in the Authority's arrangements in two key aspects:
 - the overall arrangements were insufficient to support a transformation programme of this scale and complexity, with many of the expected elements of effective programme management missing in the overarching governance arrangements; and
 - assurance and oversight arrangements were insufficient to identify risks and issues in the delivery of this programme, to escalate them appropriately and to ensure action was taken to mitigate them. This meant that senior management was unable to address the deficiencies in the programme promptly.

These matters are evidence of weaknesses in proper arrangements for:

- acting in the public interest, through demonstrating and applying the principles and values of sound governance;
- managing risks effectively and maintaining a sound system of internal control;
- planning, organising and developing the workforce effectively to deliver strategic priorities; and
- understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management.

Certificate

In our report dated 28 September 2018, we explained that we could not formally conclude the audit on that date until we had:

- completed our work to give our conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work.
- completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the year ended 31 March 2018. We have now completed this work.
- issued our report on the consistency of the pension fund financial statements included in the Pension Fund Annual Report of the London Borough of Lewisham Pension Fund with the pension fund financial statements included in the Statement of Accounts. Our opinion has now been issued.
- completed our consideration of objections brought to our attention by local authority electors under Section 27 of the Local Audit and Accountability Act 2014. These matters have now been dealt with.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave an unqualified opinion or a significant impact on our conclusion on the authority's arrangements for securing value for money through economic, efficient and effective use of its resources.

We certify that we have completed the audit of the financial statements of the Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

Paul Grady

Paul Grady
Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor
London

4 March 2021