

Audit Committee update Torbay Council

Year ended 31 March 2016

November 2016

Alex Walling

Associate Director

T 0117 305 7804

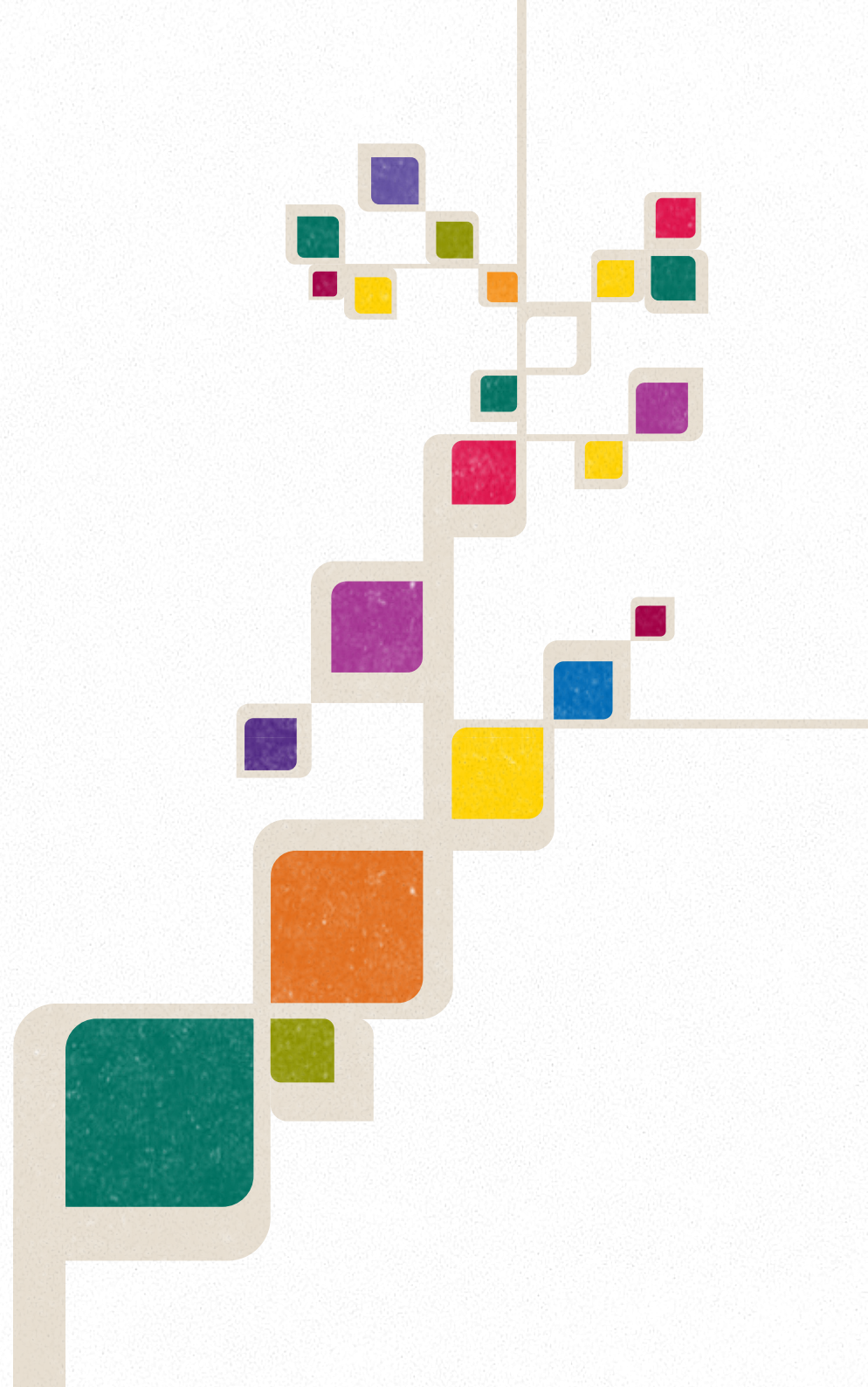
E alex.j.walling@uk.gt.com

Mark Bartlett

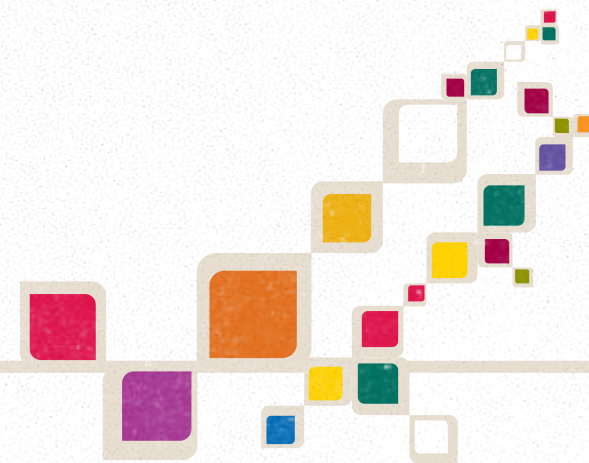
Manager

T 0117 305 7896

E mark.bartlett@uk.gt.com



The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

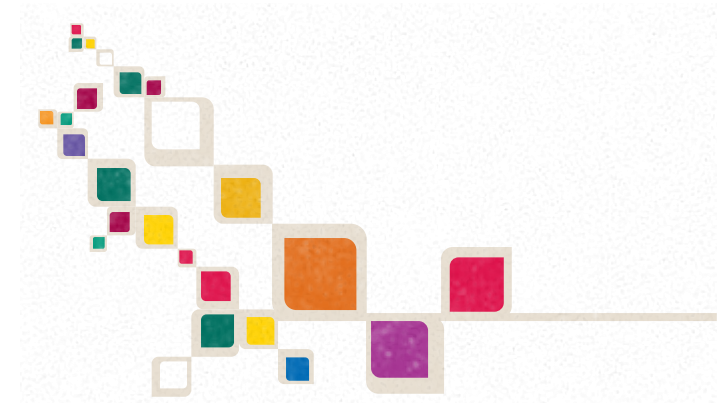
- Innovation in public financial management (December 2015); www.grantthornton.global/en/insights/articles/innovation-in-public-financial-management/
- Knowing the Ropes – Audit Committee; Effectiveness Review (October 2015); www.grantthornton.co.uk/en/insights/knowing-the-ropes--audit-committee-effectiveness-review-2015/
- Making devolution work: A practical guide for local leaders (October 2015) www.grantthornton.co.uk/en/insights/making-devolution-work/
- Reforging local government: Summary findings of financial health checks and governance reviews (December 2015) <http://www.grantthornton.co.uk/en/insights/reforging-local-government/>,

Members and officers may also be interested in our recent webinars:

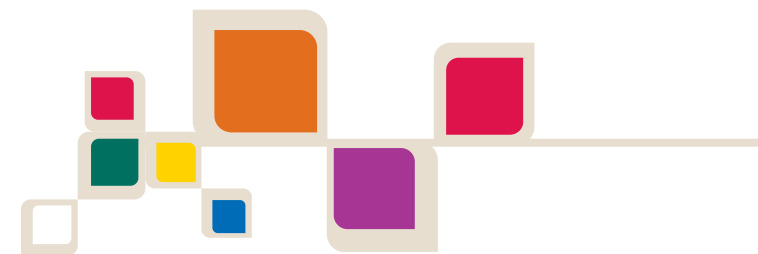
Alternative delivery models: Interview with Helen Randall of Trowers and Hamlins, discussing LATCs and JVs in local government. <http://www.grantthornton.co.uk/en/insights/qa-on-local-authority-alternative-delivery-models/>

Cyber security in the public sector: Our short video outlines questions for public sector organisations to ask in defending against cyber crime <http://www.grantthornton.co.uk/en/insights/cyber-security-in-the-public-sector/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

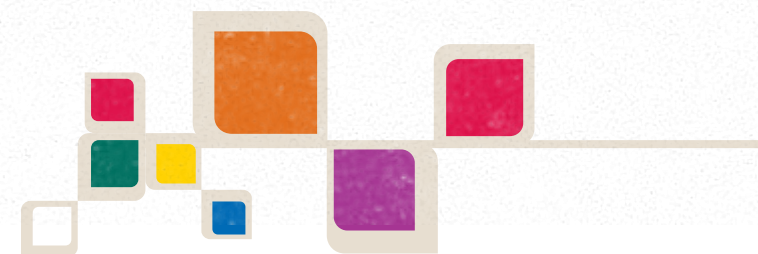


Progress at 9 November 2016



2015/16 work	Planned Date	Complete?	Comments
<p>Fee Letter</p> <p>We are required to issue a 'Planned fee letter for 2015/16' by the end of April 2015</p>	April 2015	Yes	The 2015/16 fee letter was issued in April 2015.
<p>Accounts Audit Plan</p> <p>We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2015-16 financial statements.</p>	March 2016	Yes	The Audit Plan was presented to your March meeting
<p>Interim accounts audit</p> <p>Our interim fieldwork visit plan included:</p> <ul style="list-style-type: none"> • updated review of the Council's control environment • updated understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • Value for Money conclusion risk assessment. 	Jan – March 2016	Yes	The results of our interim audit were presented to your March meeting.
<p>Final accounts audit</p> <p>Including:</p> <ul style="list-style-type: none"> • audit of the 2015-16 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion • review of the Council's disclosures in the consolidated accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 	June – July 2016	Yes	The Audit Findings Report was presented to your July meeting.

Progress at 9 November 2016



2015/16 work	Planned Date	Complete?	Comments
<p>Value for Money (VfM) conclusion</p> <p>The scope of our work has changed and is set out in the final guidance issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The guidance confirmed the overall criterion as; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> • Informed decision making • Sustainable resource deployment • Working with partners and other third parties 	March - July 2016	Yes	The results of our work on VfM were reported in the Audit Findings Report to the July meeting of the Audit Committee.
<p>Annual Audit Letter</p> <p>A summary of all work completed as part of the 2015/16 audit.</p>	October 2016	Yes	The Annual Audit Letter is included on the agenda of this meeting.
<p>Other areas of work</p> <ul style="list-style-type: none"> • Housing Benefits Subsidy Claim • Teachers' Pension return 	Sept – Nov 2016	No	<ul style="list-style-type: none"> • Our work on the housing benefits subsidy claim is in progress and will be completed by the 30 November deadline. The results of this work will be reported in the Annual Certification Letter to your meeting in January 2017. • The Teachers Pension return work is in progress and our report will be submitted by the deadline of 30 November 2016.
<p>Other activities</p> <ul style="list-style-type: none"> • Our annual financial statements workshops, run in conjunction with CIPFA were held in February and March. Torbay officers attended the Exeter event on 17 February 2016. • We held an Income Generation workshop in Exeter on 13 October 2016. The aim of these events is to bring together senior leaders from local government and the private and investment sectors to stimulate cross-sector debate and consider current and future funding models. The workshop was attended by your Head of Finance. • We held a Faster Close and Highways Network Asset (HNA) workshop on 19 October 2016 in Exeter. This workshop was aimed at local authority practitioners and will consider the main factors for authorities to consider in accelerating their financial reporting procedures to produce their year-end accounts, and provided training on the latest developments in accounting for the HNA in 2016/17. The workshop was attended by members of Council's Finance team, and the Head of Finance did a joint presentation with your Audit Manager on how we have worked together to achieve approval of the audited accounts by 31 July in 2015/16. 			

Grant Thornton Publications and events



Future events and workshops

Joint Venture Company Seminar - 6 December

Local government is evolving as it looks for ways to protect front-line services. These changes are picking up pace as more councils introduce alternative delivery models to generate additional income and savings.

While these new delivery models are not a solution by themselves, they do add to the wider solutions being explored by local government, such as devolution, collaboration and integration. Joint ventures (JVs) have been in use for many years in local government and remain a common means of delivering services differently.

We researched a range of JVs for our report to provide inspiring ideas – from those that have been a success as well as lessons learnt from those that have encountered challenges. The report also provides advice and information about the key areas to consider when deciding on a JV, setting it up and making it successful.

We have invited some of the practitioners we interviewed in researching our report to our Taunton event. Here they will share with you some of their experiences.



Future events and workshops

Sustainability and Transformation Plans – Early learning – 13 Dec

Individual health and social care economies and their leaders are at the early stages of developing STPs for their area aimed at accelerating the ambitions as set out in the 5YFV.

These five-year plans will require genuine partnership working across a number of different organisations that historically have had misaligned funding regimes and a lack of a robust shared strategy.

Our event will consider, amongst other things:

- how best to ensure sufficient capacity and leadership is made available to inform the STP
- methods to ensure full consultation, engagement and buy-in by all partners and stakeholders
- that importance of accurate and consistent information to inform decisions.

As with our previous successful summits, this event will take the form of a roundtable discussion, and we will then produce a write-up for sharing more widely.

Grant Thornton events





© 2016 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grantthornton.co.uk

GRT102468