

# Mid Devon District Council Audit Committee Update

---

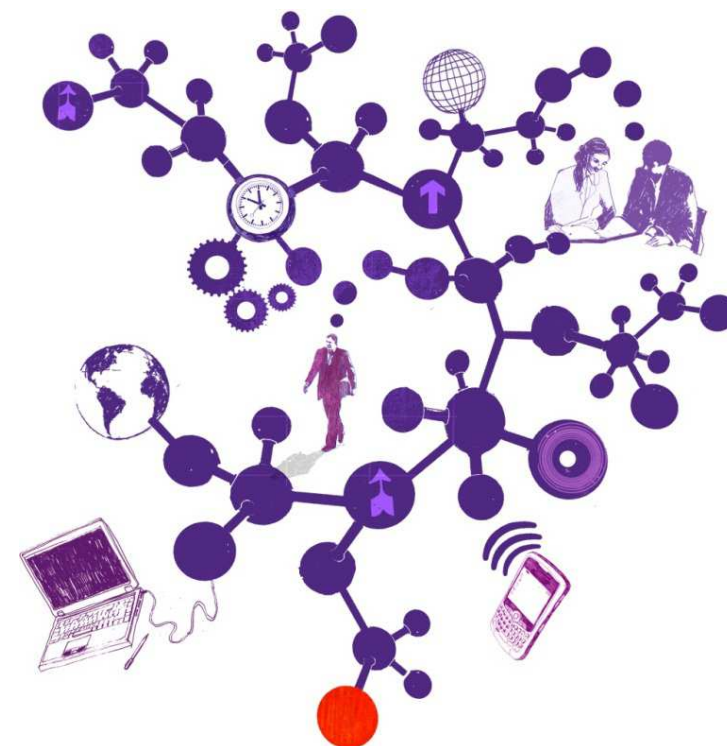
**Year ended 31 March 2014**

24 March 2015

**Geraldine Daly**  
Engagement Lead  
T 0117 305 7741  
E [geri.n.daly@uk.gt.com](mailto:geri.n.daly@uk.gt.com)

**Steve Johnson**  
Audit Manager  
T 07880 456 134  
E [steve.p.johnson@uk.gt.com](mailto:steve.p.johnson@uk.gt.com)

**Victoria Redler**  
Executive  
T 0117 305 7741  
E [victoria.j.redler@uk.gt.com](mailto:victoria.j.redler@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.

---

# Contents

<b>Section</b>	<b>Page</b>
Introduction	4
Progress at 10 March 2015	5
Emerging issues and developments	7

# Introduction

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

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- All aboard: Local Government Governance review 2015
- Rising to the challenge: the evolution of local government, summary findings from our fourth year of financial health checks of English local authorities
- 2020 Vision, exploring finance and policy future for English local government
- Pulling together the Better Care Fund
- Where growth happens, on the nature of growth and dynamism across England

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 Audit Manager.

Geraldine Daly	Engagement Lead	M 07500783992	<a href="mailto:geri.n.daly@uk.gt.com">geri.n.daly@uk.gt.com</a>
Steve Johnson	Audit Manager	M 07880 456134	<a href="mailto:steve.p.johnson@uk.gt.com">steve.p.johnson@uk.gt.com</a>

## Position at 10 March 2015

Work	Planned date	Complete?	Comments
<p><b>2014/15 Accounts Audit Plan</b></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 2014/15 financial statements.</p>	March 2015.	In progress	Our initial planning work has now been completed. The results of our preliminary work are contained within the Audit Plan which is to be presented as a separate item on this Audit Committee agenda.
<p><b>Interim accounts audit</b></p> <p>Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> <li>• updating our review of the Council's control environment</li> <li>• updating our understanding of financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• proposed work for the Value for Money conclusion.</li> </ul>	January to March 2015.	In progress	Our initial planning has now been completed. We continue to undertake early substantive testing as part of our interim review. Our audit plan and the initial findings from our preliminary work is to be presented as a separate item on the agenda to this meeting.
<p><b>2014/15 final accounts audit</b></p> <p>Including:</p> <ul style="list-style-type: none"> <li>• audit of the 2014/15 financial statements</li> <li>• proposed opinion on the Council's accounts</li> <li>• proposed Value for Money conclusion.</li> </ul>	29 June 2015 to 17 July 2015	No	The audit of the 2014/15 financial statements will be undertaken in June 2015 and reported to the July Audit Committee on the 28 July 2015

## Position at 10 March 2015 (continued)

Work	Planned date	Complete?	Comments
<p><b>Value for Money (VfM) conclusion</b></p> <p>The scope of our work to inform the 2014/15 VfM conclusion comprises a review of whether the Council has:</p> <ul style="list-style-type: none"> <li>• <b>proper arrangements in place for securing financial resilience.</b> The Council has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</li> <li>• <b>proper arrangements for challenging how it secures economy, efficiency and effectiveness.</b> The Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.</li> </ul>	March 2015 to July 2015.	Ongoing.	<p>An interim risk assessment has been completed as part of our initial risk assessment.</p> <p>Our detailed work will continue through to July 2015, when we are required to give our VfM conclusion in accordance with the statutory deadline.</p>
<p><b>Certify the Council's Whole of Government Accounts (WGA) return</b></p>	September 2015.	No.	This work will be completed as part of the final accounts audit later in the year.
<p><b>Grant claims and certification.</b></p> <p>We anticipate that the claims that will require certification for 2014/15 will be the Housing benefit and council tax subsidy and the Pooling of Capital Receipts return.</p>	June 2015 to November 2015.	No No	<p>Work will commence in September 2015.</p> <p>Work will commence in June 2015 and will be completed by November 2015.</p>

# All aboard: Local Government Governance review 2015

## Grant Thornton

Our fourth annual review into local authority governance aims to assist senior management and elected members of councils, fire & rescue authorities and police bodies to assess the strength of their governance arrangements and to prepare for the challenges ahead.

Focusing on three particular aspects of engagement – within the organisation, with partners and with the public – the key messages from the report are:

- while more than 90% of those surveyed felt their organisations encouraged well-managed risk taking and innovation, 43% felt scrutiny committees were not challenging enough about the way authorities do things
- 84% of respondents said their organisations are now using or considering alternative delivery models but only 45% feel that scrutiny of service quality is sufficiently challenging
- 49% said the transition to police and crime commissioners has not had a positive impact on local partnership working arrangements, while 42% saw no difference in local healthcare governance as a result of councils' new public health role
- annual accounts and annual governance statement continue to expand in length, making them even more challenging for the public to read and understand
- only 30% of cabinet positions in local authorities are held by women, while over half our survey say members do not adequately reflect the demographic profile of the local population.

Alongside the research findings, the report highlights examples of good practice and also poses a number of questions for management and members, to help them assess the strength of their current governance arrangements.

The report *Local Government Governance review 2015: All aboard* can be found on our website

[http://www.grant-thornton.co.uk/Global/Publication\\_pdf/Local-government-governance-review-2015-All-aboard.pdf](http://www.grant-thornton.co.uk/Global/Publication_pdf/Local-government-governance-review-2015-All-aboard.pdf)

Hard copies of the report are also available from your Engagement Lead or Audit Manager.



© 2015 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). References to 'Grant Thornton' are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

**[grant-thornton.co.uk](http://grant-thornton.co.uk)**