

# Audit Committee Update

## Mid Devon District Council

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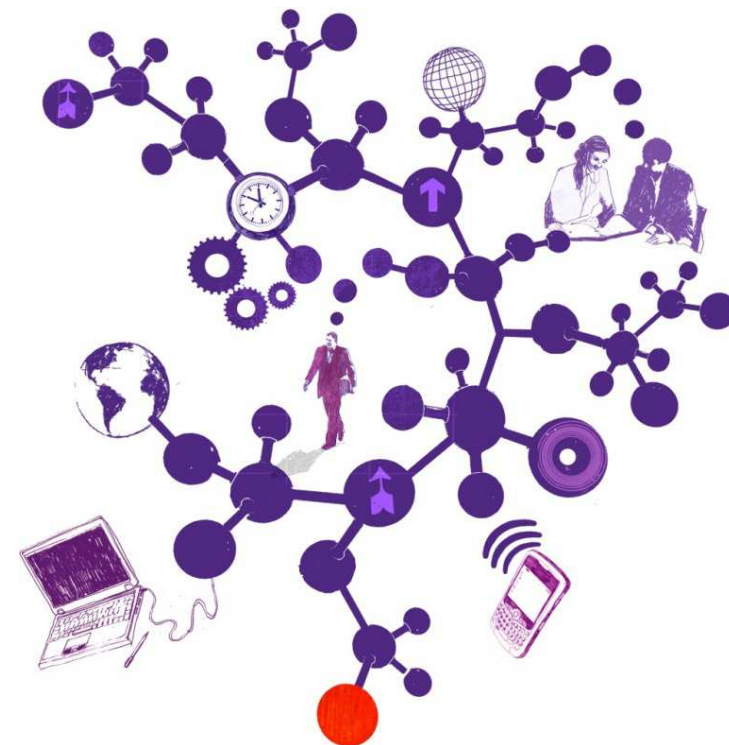
**Year ended 31 March 2016**

19 January 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 0117 057 868  
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.

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# 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:

- Making devolution work: A practical guide for local leaders
- Spreading their wings: Building a successful local authority trading company
- Easing the burden, our report on the impact of welfare reform on local government and social housing organisations
- All aboard? our local government governance review 2015

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 07500 783992	<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>

# Progress at 31 December 2015

Work	Planned date	Complete?	Comments
<p><b>2015-16 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>	January 2016 to March 2016.	No	Audit plan will be presented to the March Audit Committee.
<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 Value for Money conclusion.</li> </ul>	January to March 2016.	No	The findings from our interim audit will be reported to the March Audit Committee.
<p><b>2015/16 final accounts audit</b></p> <p>Including:</p> <ul style="list-style-type: none"> <li>• audit of the 2015/16 financial statements</li> <li>• proposed opinion on the Council 's accounts.</li> </ul>	June to July 2016.	No	We intend to report our findings and give our audit opinion to the July Audit Committee.

## Progress at 31 December 2016 (continued)

Work	Planned date	Complete?	Comments
<p><b>Value for Money (VfM) conclusion</b>            The scope of the work to reach a value for money conclusion for 2015/16 has now been determined by the National Audit Office (NAO).            The NAO issued a consultation document which sought views on the proposed guidance to auditors in relation to their statutory duty to be satisfied that audited bodies have proper arrangements in place to secure economy, efficiency and effectiveness (value for money - VFM) in their use of resources.</p>	<p>January to July 2016.</p>	<p>Not yet due.</p>	<p>We await further guidance on the Audit approach and will inform you and Management on the changes to our work.</p>
<p><b>Certify the Council's WGA accounts</b></p>	<p>August 2016.</p>	<p>Not yet due.</p>	<p>As the deadline for the Council's submission is likely to be July 2016, we will plan our work for August.</p>
<p><b>Grant claims and certification.</b>            We anticipate that we will be required to certify the Council's 2015/16 Housing benefit and council tax subsidy claim.</p>	<p>June 2016 to November 2015.</p>	<p>Not yet due.</p>	<p>The work on the 2015/16 claim will be carried out between June 2016 and November 2016.</p>

# Growing healthy communities: The Health and wellbeing index

## Grant Thornton market insight

Our Place Analytics team reveals how collaboration between local authority stakeholders can help address health quality determinants (social, economic and environmental) and result in improved health outcomes (quality of lifestyle and health conditions).

It has long been recognised that the health of a population is strongly linked to the circumstances in which people live. Our index assesses 33 key health determinants and outcomes of health for the 324 English local authorities, to provide a coherent, national story on health and wellbeing. It highlights the scale and nature of inequality across the country and reiterates the need for a local, place-based approach to tackling health outcomes.

The purpose of this report is to help stakeholders – NHS providers and clinical commissioning groups (CCGs), local authorities, health and social care providers, housing associations, fire authorities and the police – to improve collaboration through a better understanding of the correlation between the economic, social and environmental health determinants and the health outcomes within their locality. It includes a concluding checklist of questions to help facilitate discussions in the light of joint service needs assessments.

The data behind the index also allows segmentation which reveals areas around the country with similar health determinants, but better outcomes. This underscores the need to work in collaboration with peers that may not be 'next door' if there is an opportunity to learn from 'others like us'.

Our report, Growing healthy communities: Health and Wellbeing Index, can be downloaded from our website:  
<http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2015/growing-healthy-communities-health-and-wellbeing-index.pdf>

Hard copies of our report are available from your Engagement Lead and Audit Manager



# Emerging issues and developments

## Innovation in public financial management

In December 2015 we issued our report '*Innovation in public financial management*' which can be found [here](#).

This report, which drew on a survey of almost 300 practitioners worldwide, also includes insights from experts at the International Consortium on Governmental Financial Management (ICGFM) and the Massachusetts Institute of Technology's Centre for Finance and Policy.

The report is the latest in a decade-long series jointly published by Grant Thornton and the ICGFM and it covers four major topics that, globally, will impact on the future of public financial management:

**Changing practices.** Our research showed that the biggest issue ahead will be finding the political commitment to support more difficult innovations on the agenda – such as increasing public engagement.

**The right PPP formula.** 90% of respondents felt that substantial investment in infrastructure was required to drive economic growth. In this age of austerity, most governments are also seeking ways to attract outside investment – with the majority using some form of public-private partnership (PPP). Many countries remain inexperienced with such arrangements and the results of their application have been mixed. There has been little improvement since our 2011 survey, which shows that it takes a long time to develop the requisite skills and experience to make PPPs work.

**Transparency with technology.** Public financial managers are convinced of the importance of enhancing transparency and most are trying to be innovative in this area. However, most are using outdated digital tools. Fewer than half use social media to enhance openness. Even among the best, most transparency efforts are focussed on releasing data sets than data insights.

**The new normal.** Public financial management remains weighed down by the effects of the global financial crisis, but respondents also focussed on important developments since 2008, such as the Eurozone problems and the collapse of commodity prices. This suggests that public financial management is having to come to terms with not just the lessons one major financial crisis, but with how governments can live with less over the long term.







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