

General Purposes & Audit Committee update for Croydon Council

Year ended 31 March 2015

January 2015

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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 General Purposes & 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 General Purposes & 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 (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- Rising to the challenge; the evolution of local government, summary findings from our fourth year of financial health checks of English local authorities
- Local Government Pension Schemes Governance Review, a review of current practice, best case examples and useful questions to assess governance strengths
- 2020 Vision: Exploring finance and policy futures for English local government as a starting point for discussion
- Responding to the challenge – Alternative Delivery Models in Local Government
- Working in tandem, local government governance review 2014, our third annual review, assessing local authority governance, highlighting areas for improvement and posing questions to help assess the strength of current arrangements

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.

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Progress at January 2015

Work	Planned dates	Comments
Planning and interim accounts audit Our interim fieldwork visit includes: <ul style="list-style-type: none">• updating our review of your control environment• updating our understanding of financial systems• review of Internal Audit reports on core financial systems• early work on emerging accounting issues• early substantive testing• Planning of the Value for Money conclusion work	January to March 2015	We expect to complete our audit planning in January 2015 and aim to complete our interim work and early testing on the data for the first 9 months of the year in February 2015.
2014-15 Accounts Audit Plan We are required to issue a detailed accounts audit plan to you setting out our proposed approach in order to give an opinion on your 2014-15 financial statements.	March 2015	We will present the Audit Plan to you at the March 2015 General Purposes & Audit Committee.
2014-15 final accounts audit Including: <ul style="list-style-type: none">• audit of the 2014-15 financial statements• proposed opinion on the accounts• proposed Value for Money conclusion.	July to September 2015	We will present the Audit Findings Report to you at the September 2015 General Purposes & Audit Committee.

Grant Thornton publications

Grant Thornton

Rising to the challenge - The evolution of local government

Our report, based on a review of 40% of the sector, assesses whether English local authorities have the arrangements in place to ensure their sustainable financial future.

The fourth in an annual series, 'Rising to the challenge – the evolution of local authorities' has a positive message overall. Most local authorities have continued to rise to the challenge posed by government funding reductions, supported by an evolution in financial management arrangements over the past four years.

However, with austerity challenges facing local government over the medium-term set to continue, authorities must continue to evolve. For those that do not, a financial tipping point is likely to become apparent by 2016. Our report makes suggestions on what still needs to be done for this outcome to be avoided.

2020 Vision: Exploring finance and policy futures for English local government as a starting point for discussion

In a time of unprecedented challenge for English local government, how can the sector develop towards 2020 if it is to have a sustainable future? Our latest report provides a thorough analysis of the current political and economic context, explores a range of potential policies and outcomes, and suggests several scenarios to facilitate an open debate on the future for the sector.

Copies are available from your engagement lead or audit manager.



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