

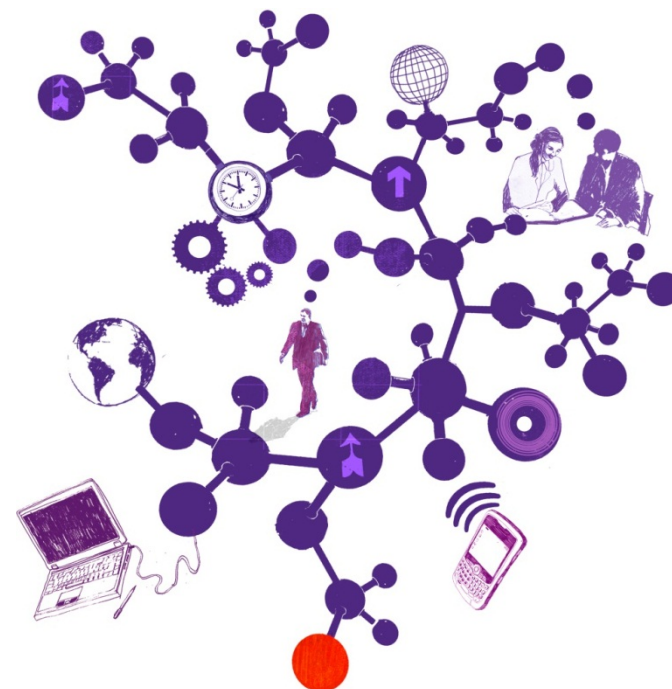
# Audit Committee Update for Dudley MBC

## DRAFT

This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

11<sup>th</sup> November 2013

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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 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
- includes 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. Here you can download copies of our publications – 'Local Government Governance Review 2013', 'Towards a tipping point?', 'The migration of public services', 'The developing internal audit agenda', 'Preparing for the future', 'Surviving the storm: how resilient are local authorities?'

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.

## Progress at November 2013

Work	Planned date	Complete?	Comments
<b>2012-13 Certification of Grant claims</b> We are continuing our work on the certification of the Housing and Council Tax Benefits Claim and Teachers Pensions claim.	30 <sup>th</sup> November 2013	No	We are on target to certify the claims by the required deadline. It is likely that, as in previous years, the housing and council tax benefit claim will be subject to a qualification letter.
<b>2013/14 accounts audit</b> Our planning includes: <ul style="list-style-type: none"> <li>•updating our review of the 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>•Planning the Value for Money conclusion.</li> </ul>	31/3/14	No	We will start the planning of the 2013/14 audit work in December/January.

# Emerging issues and developments

## Local government guidance

### Social care for older people

In July, the Audit Commission released [\*Social care for older people: Using data from the VFM Profiles\*](#). This briefing has been drawn from the Commission's Value for Money (VFM) Profiles and show councils spend on different services and how their costs and performance compare with other similar organisations.

Challenge questions:

- Has the authority reviewed the costs and performance of your authority against similar organisations?
- Where issues have been identified, has an action plan been implemented?

### Council tax collection

The Audit Commission has released a briefing on [\*Council Tax Collection\*](#) which uses the data held in the VFM profiles tool. The Vfm profiles can be used to consider:

- how the cost and rate of collection compares to different comparator groups
- how changes over time compare to the overall trends described in the briefing
- how council tax collection may be affected by local arrangements in the council tax reduction scheme.

In addition in October 2013 it produced a briefing paper on NNDR profiles

Challenge questions:

- Has the authority reviewed the costs and performance of your authority against similar organisations?
- Where issues have been identified, has an action plan been implemented?

# Emerging issues and developments

## Grant Thornton

### 'Future Councillors – where next for local politics?'

Grant Thornton has sponsored the latest New Local Government Network (NLGN) research paper: [\*Future Councillors – where next for local politics?\*](#) Whilst more or less every aspect of what a council does is currently up for discussion, this is not the case for the role of local politicians. The report is a response to this discourse gap.

The report content is based on a series of workshops held earlier this year with a number of councillors from different local authority types, different regions and from different political parties. The workshops, which Grant Thornton attended, included a scenario-planning exercise which identified how councillors that fail to renew their democratic processes risk losing the support of their communities. The research also suggested that councils that did grasp the opportunities offered by technology and service redesign can become far more engaged with their communities, building efficient and co-operative models of local government focused on neighbourhood needs.

The report includes a chapter by Guy Clifton from Grant Thornton on the councillor's role in financial planning. The workshops identified that many elected members are keen to take a far greater role in financial planning at their authorities, particularly given the significant funding challenges being faced. During the workshops we explored the skills and capabilities that members need to effectively manage the budget setting process. These included: effective communication and stakeholder engagement, understanding financial planning tools and, perhaps most importantly, knowing what questions to ask.

#### Challenge question:

- Are your elected members taking a greater role in financial planning and has the authority ensured that members are trained for the task?



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