The Annual Audit Letter for Hastings Borough Council

Year ended 31 March 2019

January 2020

Contents

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Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Hastings Borough Council (the Council) and its subsidiary (the group) for the year ended 31 March 2019.

This Letter is intended to provide a commentary on the results of our work to the group and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit Committee as those charged with governance in our Audit Findings Report on 30 July 2019 (updated report communicated to the Committee on 14 November 2019).

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council and group's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council and group's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Our work

Materiality	We determined materiality for the audit of the group's financial statements to be £1,436,264, which is 2**%** of the group's gross revenue expenditure from the prior year audited accounts.
Financial Statements opinion	We gave an unqualified opinion on the group's financial statements on 20 September 2019.
Whole of Government Accounts (WGA)	We completed work on the Council’s consolidation return following guidance issued by the NAO.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.
Value for Money arrangements	We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 20 September 2019.
Certification of Grants	We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim was finalised on the 29 November 2019 prior the Central Government deadline.
Certificate	We certified that we have completed the audit of the financial statements of Hastings Borough Council in accordance with the requirements of the Code of Audit Practice on 20 September 2019.

Executive Summary

Working with the Council

During the year we have delivered a number of successful outcomes with you:

- We made five recommendations for controls and systems improvements in our Action Plan as reported to the Audit Committee in November 2019. Implementation of these recommendations will be followed up with your finance team in the 2019/20 year;
- We highlighted a number of areas of the accounts where disclosures could be made clearer along with accounts adjustments for misclassifications/misstatements, which were also reported to the Audit Committee in November 2019;
- Sharing our insight – we provided regular Audit Committee updates covering best practice. We also share our thought leadership reports.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Authority's staff.

Grant Thornton UK LLP
January 2020

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the group's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the group financial statements to be £1,436,264, which is 2**%** of the group's gross revenue expenditure from the prior year audited accounts. We used this benchmark as, in our view, users of the group and Council's financial statements are most interested in where the group and Council has spent its revenue in the year.

We set a lower threshold of £71,812, above which we reported errors to the Audit Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the financial statements, the Narrative Report and Annual Governance Statement published alongside the financial statements to check they are consistent with our understanding of the Authority and with the financial statements included in the Annual Report on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the group's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Improper revenue recognition We considered the rebuttable presumed risk under ISA (UK) 240 that revenue may be misstated due to the improper recognition of revenue. We rebutted this presumed risk for revenue streams that are derived from Council Tax, Business Rates and Grants on the basis that they are income streams primarily derived from grants or formula based income from central government and tax payers and that opportunities to manipulate the recognition of these income streams is very limited. We did not deem it appropriate to rebut this presumed risk for fees, charges and other service income as we do not have cumulative audit testing knowledge of these revenues being your new auditor, and the adoption of new accounting standard, IFRS15 Revenue from Contracts with Customers, could materially affect recognition of this income. We therefore identified the occurrence and accuracy of these income streams and the existence of associated receivable balances as a significant risk of material misstatement.	As part of our audit work we : • evaluated the Council's accounting policy for recognition of income for appropriateness and compliance with LG Code of Practice; • updated our understanding of the system for accounting for income and evaluated the design of the associated controls; • reviewed and sample tested income to supporting evidence; • evaluated and challenged significant estimates and the judgments made by management, including those around the adoption of the new IFRS15.	Our audit work did not identify any issues in respect of revenue recognition.
Management override of controls Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Council faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance. We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.	As part of our audit work we : • evaluated the design effectiveness of management controls over journals; • analysed the journals listing and determined the criteria for selecting high risk unusual journals; • tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements made by management and considered their reasonableness with regard to corroborative evidence; • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.	Our audit work did not identify any issues in respect of revenue recognition.

Audit of the Financial Statements

Significant Audit Risks - continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Valuation of land and buildings The Council revalues its land and buildings on a five-yearly rolling basis to ensure the carrying value in the financial statements is not materially different from the current value or the fair value (for investment properties and surplus assets) at the financial statements date. This valuation is carried out by the Council's professional valuers. This valuation represents a significant estimate by management due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Management need to ensure the carrying value in the Council financial statements is not materially different from the current value or the fair value (for investment properties and surplus assets) at the financial statements date, where a rolling programme is used. We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter. **Valuation of Heritage Assets** Heritage assets were held at £15m at the 31 March 2018 balance sheet date. The Authority revalues heritage assets periodically based on market value as approximated by their insurance value. The insurance values are reviewed annually to ensure there have been no material changes, and where there are other indications of impairment their carrying amount will be reviewed. The valuations of heritage assets, particularly revaluations and impairments, was also considered a significant risk.	As part of our audit work we : • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluated the competence, capabilities and objectivity of the valuation expert; • wrote to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; • challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • assessed how management challenged the valuations produced internally, by professional valuers and by independent property managing consultants to assure themselves that these represent the materially correct current value; • tested revaluations made during the year to see if they had been input correctly into the Council's asset register; • evaluated the assumptions made by management for any assets not revalued during the year and how management satisfied themselves that these are not materially different to current value.	During the year, £39.5 million of assets were revalued representing 34% of land and buildings held on the balance sheet at current or fair value. The remaining £75.6 million of assets held at current value were revalued in earlier years or acquired in the year. The Code of Practice allows a rolling programme of revaluation over a short period, but requires management to ensure assets not revalued in year are not materially misstated. Management did not prepare a working paper to address whether assets had been impaired during the year, and also did not specifically set out in detail their own assumptions and estimates of the potential movements in value for assets not revalued during the year. We developed our own point estimate of the movement in values using information of possible variations provided by our own auditor's expert, and we made further inquiries to the management's professional valuers. Through this work we were able to gain assurance that assets not revalued in the year were not materially misstated. **Heritage Assets:** These assets are not required to be revalued annually, but should be reviewed sufficiently regularly to ensure that valuations remain current. We reviewed the insurance valuations which are used as the basis for the estimation of the market value of heritage assets, and we challenged the basis of and assumptions underlying the valuation method for reasonableness. Our working around heritage assets did not identify any issues.

Audit of the Financial Statements

Significant Audit Risks - continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Valuation of pension fund net liability The Council's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements. The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£41.6 million in the Council's unaudited balance sheet at the 31 March 2019, adjusted to £46 million after audit adjustments) and the sensitivity of the estimate to changes in key assumptions. We therefore identified valuation of the Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our work included: • documenting an understanding of the process and controls put in place by management to ensure the Council's pension fund net liability is not materially misstated and evaluating the design of the associated controls; • evaluating the instructions and accuracy/completeness of information issued to the management expert (actuary – Hymans Robertson) for this estimate and the scope of the actuary's work; • assessing the competence, capabilities and objectivity of the actuary who carried out the pension fund valuation; • testing the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertaking procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing additional focussed audit procedures suggested within the report; and • obtaining assurances from the auditor of East Sussex Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. During the year two legal cases were heard impacting on pensions and their accounting. The McCloud case relates to the Court of Appeal ruling that there was age discrimination in certain public sector pension schemes where there were transitional protections given to scheme members. And the guaranteed minimum pension (GMP) case relates to the High Court ruling that GMPs must be equalised between men and women and that past underpayments must be corrected. These two potential liabilities were considered immaterial by management and not included in the pension liability. We assessed the reasonableness of this judgement.	We concluded that - management's actuarial expert was clearly competent, capable and objective; - the actuarial method of calculating the estimate, including the roll forward approach, and assumptions adopted, was reasonable except for the point highlighted below; - the information used to the actuary was complete and accurate; and - the disclosure of the estimate in the financial statements was considered adequate. We carried out analytical procedures to conclude on whether the Council's share of LGPS pension assets and liabilities was reasonable and this resulted in highlighting a material difference in the estimated return on pension fund assets as at the financial year end used by the actuary to provide an early estimate for inclusion in the accounts, and the actual return. The Council requested from the actuary an updated actuarial estimate to include the actual year end return on pension fund assets. The revised actuary report also included the additional liability for the impact of the McCloud ruling. Management agreed this material difference required adjustment in the authority accounts. These two issues meant the estimate of the net pension fund liability increased by £4.4m, which increased the Council's Cost of Services by £548k, and increased Other Comprehensive Income and Expenditure by £3.9m. We agreed that the GMP potential liability could be estimated to a reasonable degree of accuracy, and our own recalculation agreed that the amount was immaterial.

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the group's financial statements on 20 September 2019.

Preparation of the financial statements

The Council presented us with draft financial statements in accordance with the national deadline.

During the audit we found that there were not clear working papers to support each note in the accounts, and that sub-systems through which significant volumes of transactions in the accounts are recorded, such as Council Tax and Business Rates income and Housing Benefits expenditure, were not supported by clear reconciliations to provide assurance of the completeness and accuracy of accounting in the general ledger for transactions in these sub-systems. We have recommended the Council strengthens its working papers in a number of specific areas.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Authority's Audit Committee on 30 July 2019, and subsequently updated the Committee with an additional report on completion of outstanding audit work on 14 November 2019.

All significant issues from our audit have been summarised on pages 3-8 of this report.

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website in the Statement of Accounts in line with the national deadlines.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We carried out work on the Council's Data Collection Tool in line with instructions provided by the NAO . We issued an assurance statement which confirmed the Council was below the audit threshold.

Certificate of closure of the audit

We certified that we have completed the audit of the financial statements of Hastings Borough Council in accordance with the requirements of the Code of Audit Practice on 20 September 2019.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risks we identified and the work we performed are set out overleaf.

Overall Value for Money conclusion

We are satisfied through the work documented below, that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019.

Value for Money conclusion

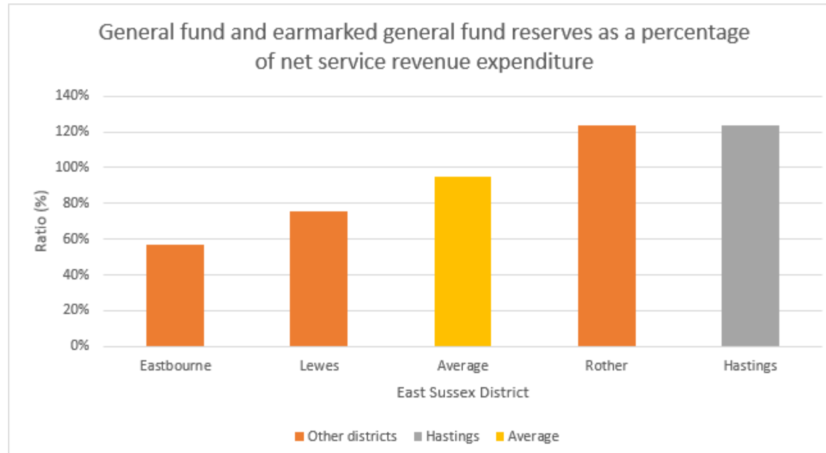
Risks identified in our audit plan	Findings and conclusions
Medium term financial sustainability The Council had deficit results on its provision of services for the 2016/17 and 2017/18 years. These were relatively small deficits which could be alleviated through use of reserves. At 31 March 2018 the usable reserves stood at £21.7m, a level which is considered by the Council to be sufficient to ensure the ongoing sustainability of the organisation. You are responding to funding challenges in a variety of ways, through identifying efficiencies & new sources of funding, working with partners, and engaging in service redesign. For the 2018/19 year, Council set a budget for a £1.7m deficit for the 2018/19 year, and the Medium Term Financial Strategy set out expectations of funding gaps of between £2-3m for each of the subsequent 3 years before use of reserves. There are savings and income generation plans in place which will mitigate some of the impact, but the expected results will entail significant use of the Council's current usable reserves which will be difficult to replenish. Savings plans are inherently uncertain and risky and these could put overall budget achievement in doubt. There is currently no reasonable estimate that can be made for the impact of the 2020/21 Fair Funding Review and potential changes to Business Rate retention. For these reasons we cited medium term financial sustainability as a risk that the Council could fail to achieve Economy, Efficiency, and Effectiveness in use of its resources in 2018/19 and beyond.	**Financial performance 2018/19** During the 2018/19 year the Council set a revised budget in early February 2019 to acknowledge and plan for the additional spending pressures being experienced at that point in the year. The Council, like most others, experienced a significant increase in pressure on demand led budgets, and at the year end delivered a General Fund outturn deficit of £681k, a positive variance against the revised budget of £747k. In the year the Council slightly increased its usable reserves (across General Reserve and Earmarked Reserves) by some £650k. Priority Income and Efficiency Review (PIER) savings schemes in the year have under achieved by £161k against a budgeted savings total of £703k. Delivering PIER savings to address budget gaps going forwards will be a particular challenge for the authority. Particularly in the context of having re-set the budget at quite a late stage in the current financial year, the Council will have to make sure that structural demand pressures manifesting as budget overspends, and PIER savings schemes which may not be achievable are adequately factored into the MTFS in future years as recurrent increases in costs, and reductions in anticipated savings/increases in service income. These will need to be mitigated through service transformation, or through the identification of alternative PIER efficiency savings. **Financial planning (MTFS) 2019/20 to 2023/24** The Council's Medium Term Financial Strategy (MTFS) is the key financial planning document which sets out the financial implications of its corporate strategy over 5 years. We reviewed the method for building the MTFS and in particular the robustness and realism underlying key assumptions, the PIER savings plans which are included and any areas where significant new/increased areas of revenue have been included. The MTFS, much like the 2019/20 budget, starts from a baseline of the previous year budget adjusted for what is known in terms of cost and income variations from the actual outturn to set an "adjusted base" position. There is then an iterative process of layering on inflationary assumptions including staff pay increases, known and assumed increases in services pressures, reductions in grants and other revenues, any strategic driven spending commitments continued) and plans which would drive revenue increases. Once this is complete, for this Council as we would expect from our experience across the Local Government sector, this leaves a Budget Gap between the expected expenditure required to maintain services and investment, and the resources expected to be available. For 2019/20 this Budget Gap was closed by identified savings plans which management viewed as being achievable. However in the following three years there are predicted budget gaps of £2.436m in 2020/21, £1.791m in 2021/22 and £1.897k in 2022/23.

Value for Money conclusion (continued)

Risks identified in our audit plan	Findings and conclusions
Medium term financial sustainability (continued)	In our discussions with management we have been informed of forward looking development and regeneration plans. At the date of the 2018/19 audit, more work was required by the Council to address its future budget gaps. We will consider what progress the Council has made for the medium term financial sustainability as part of our 2019/20 work. **Fiscal Indicators and Reserves Levels** Each year your management assess the level of reserves they believe it is prudent for the Council to hold. Management base this on the following factors: (i) the cashflow working balance requirement; (ii) considerations of the level of available internal and external funds in the event of unexpected events or an emergency; (iii) The need to build up funds for known or potential liabilities (earmarked reserves); (iv) reserves put in place to assist in the transition to becoming a lower spending Council; (iii) having funds in place for investment. We compared the Council's proportion of reserves and level of reserves to a set of other similar sized councils. The Council's General Fund and Earmarked reserves total as a percentage of net service revenue expenditure for the 2018/19 year is 124% (chart 1). This compares favourably to other East Sussex and Kent districts with 4 Councils holding a higher percentage of reserves compared to net service revenue expenditure. The percentage for this indicator ranged from 27% to 267%. This demonstrates clearly there is no "correct" level of reserves to hold and it very much depends on local circumstances, risk analysis and risk appetite. We also note that management analysed reserve levels and risks using a range of CIPFA developed indicators, and benchmarked the Council against other authorities. This was reported in the February 2019 budget report to members. This showed the current level of reserves as a percentage of net expenditure was 135%, reducing to 91% by the end of the next financial year. Our view was that management have given reasonable consideration to whether the reserves provide a sufficient cushion to weather the on-going financial challenges that the Council faces over the medium term due to reductions in central government funding and forecast increases in demand for its core services. However, the Council only has finite reserves available and it is important that it continues to maintain appropriate budgetary controls. The financial outlook for local government is at its most uncertain for a generation. It is key that members recognise the current level of reserves provide a buffer for the uncertainties ahead and do not represent an easy way to resolve immediate budget pressures.

Value for Money conclusion (continued)

Risks identified in our audit plan	Findings and conclusions
Medium term financial sustainability (continued)	Chart 1



A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Reports issued

Report	Date issued
Audit Plan	14 March 2019
Audit Findings Report	30 July 2019
Annual Audit Letter	14 January 2020

Fees

	Planned £	Actual fees £	2017/18 fees £
Statutory audit	35,742	46,742	46,418
Housing Benefit Grant Certification	10,500	TBC	8,844
Total fees	46,242	TBC	55,262

Audit fee variation

As outlined in our audit plan, the 2018-19 scale fee published by PSAA of £35,742 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the adjacent table.

Non- audit services

- For the purposes of our audit we made enquiries of all Grant Thornton UK LLP teams providing services to the group. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the group's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the group's policy on the allotment of non-audit work to your auditor.

Area	Reason	Fee variance
Assessing the impact of the McCloud ruling	The Government's transitional arrangements for pensions were ruled discriminatory by the Court of Appeal last December. The Supreme Court refused the Government's application for permission to appeal this ruling. As part of our audit we have reviewed the actuarial assessment of the impact on the financial statements along with any audit reporting requirements.	1,600
Pensions – IAS 19	The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 needs to improve across local government audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this.	2,300
PPE Valuation – work of experts	As above, the Financial Reporting Council has highlighted that auditors need to improve the quality of work on PPE valuations across the sector. We have increased the volume and scope of our audit work to reflect this.	2,500
New ledger system	The Council moved to a new ERP ledger system from April 2018. The working papers provided as evidence for the correct migration of the system were of a poor quality. This meant our testing of the migration took much more time for the audit team than we would have anticipated.	2,200
Oher factors increasing audit input	During the audit we found there were not clear working papers to support each note in the accounts, and that sub-systems such as Council Tax and Business Rates income and Housing Benefits expenditure, were not supported by clear reconciliations to provide assurance of the completeness and accuracy of accounting in the general ledger for transactions in these sub-systems. Group accounts were prepared for the first time in 2018/19.	£2,400
Total		11,000

Fee variations are subject to PSAA approval.

Our commitment to our local government clients

- Senior level investment
- Local presence enhancing our responsiveness, agility and flexibility.
- High quality audit delivery
- Collaborative working across the public sector
- Wider connections across the public sector economy, including with health and other local government bodies
- Investment in Health and Wellbeing, Social Value and the Vibrant Economy
- Sharing of best practice and our thought leadership.
- Invitations to training events locally and regionally – bespoke training for emerging issues
- Further investment in data analytics and informatics to keep our knowledge of the areas up to date and to assist in designing a fully tailored audit approach

Our relationship with our clients– why are we best placed?

- We work closely with our clients to ensure that we understand their financial challenges, performance and future strategy.
- We deliver robust, pragmatic and timely financial statements and Value for Money audits
- We have an open, two way dialogue with clients that support improvements in arrangements and the audit process
- Feedback meetings tell us that our clients are pleased with the service we deliver. We are not complacent and will continue to improve further
- Our locally based, experienced teams have a commitment to both our clients and the wider public sector
- We are a Firm that specialises in Local Government, Health and Social Care, and Cross Sector working, with over 25 Key Audit Partners, the most public sector specialist Engagement Leads of any firm
- We have strong relationships with CIPFA, SOLCAE, the Society of Treasurers, the Association of Directors of Adult Social Care and others.

New opportunities and challenges for your community

The Local Government economy

Local authorities face unprecedented challenges including:

- Financial Sustainability – addressing funding gaps and balancing needs against resources
- Service Sustainability – Adult Social Care funding gaps and pressure on Education, Housing, Transport
- Transformation – new models of delivery, greater emphasis on partnerships, more focus on economic development
- Technology – cyber security and risk management

At a wider level, the political environment remains complex:

- The government continues its negotiation with the EU over Brexit, and future arrangements remain uncertain.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.

Delivering real value through:

- Early advice on technical accounting issues, providing certainty of accounting treatments, future financial planning implications and resulting in draft statements that are 'right first time'
- Knowledge and expertise in all matters local government, including local objections and challenge, where we have an unrivalled depth of expertise.
- Early engagement on issues, especially on ADMs, housing delivery changes, Children services and Adult Social Care restructuring, partnership working with the NHS, inter authority agreements, governance and financial reporting
- Implementation of our recommendations have resulted in demonstrable improvements in your underlying arrangements, for example accounting for unique assets, financial management, reporting and governance, and tax implications for the Cornwall Council companies
- Robust but pragmatic challenge – seeking early liaison on issues, and having the difficult conversations early to ensure a 'no surprises' approach – always doing the right thing
- Providing regional training and networking opportunities for your teams on technical accounting issues and developments and changes to Annual Reporting requirements
- An efficient audit approach, providing tangible benefits, such as releasing finance staff earlier and prompt resolution of issues.

Grant Thornton in Local Government

Our client base and delivery

- We are the largest supplier of external audit services to local government
- We audit over 150 local government clients
- We signed 95% of our local government opinions in 2017/18 by 31 July
- In our latest independent client service review, we consistently score 9/10 or above. Clients value our strong interaction, our local knowledge and wealth of expertise.

Our connections

- We are well connected to MHCLG, the NAO and key local government networks
- We work with CIPFA, Think Tanks and legal firms to develop workshops and good practice
- We have a strong presence across all parts of local government including blue light services
- We provide thought leadership, seminars and training to support our clients and to provide solutions

Our people

- We have over 25 engagement leads accredited by ICAEW, and over 250 public sector specialists
- We provide technical and personal development training
- We employ over 80 Public Sector trainee accountants

Our quality

- Our audit approach complies with the NAO's Code of Audit Practice, and International Standards on Auditing
- We are fully compliant with ethical standards
- Your audit team has passed all quality inspections including QAD and AQRT

Our technical support

- We have specialist leads for Public Sector Audit quality and technical
- We provide national technical guidance on emerging auditing, financial reporting and ethical areas
- Specialist audit software is used to deliver maximum efficiencies

Grant Thornton

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