



Audit & Governance Committee
24 March 2014

External Audit – Grant Thornton Financial Resilience Report

Purpose of the report:

This is the report from Grant Thornton's third national programme of reviews, which assesses whether local authorities have arrangements in place to ensure their sustainable financial future.

Recommendations:

It is recommended that:

1. The Audit and Governance Committee note the findings of Grant Thornton's review (attached as **Annex 1**), and the citing of Surrey County Council as a good practice case study.

Introduction:

2. Grant Thornton's reviews examined in detail key indicators of financial performance, strategic financial planning and financial governance and control arrangements across a sample of 40% of local authorities in England.
3. The 2012 report identified a series of potential 'tipping point scenarios' that might affect some authorities. During this year's reviews and through wider dialogue with the sector, these tipping point scenarios have been validated as possible or probable. 79% of local authorities anticipate some form of tipping point in 2015/16 or 2016/17.
4. A presentation has been attached as **Annex 2**.

Financial and value for money implications

5. None.

Equalities and Diversity Implications

6. There are no equalities and diversity implications in respect of this report.

Risk Management Implications

7. None.

Next steps:

Grant Thornton shall re-assess the Council's financial resilience arrangements as part of its work on the value for money conclusion for 2013/14.

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