

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REDDITCH BOROUGH COUNCIL (the "Authority")

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2017 issued on 21 September 2017 we reported that, in our opinion:

- the financial statements present a true and fair view of the financial position of the Authority as at 31 March 2017 and of its expenditure and income for the year then ended; and
- the financial statements had been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

Issue of qualified conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

In our audit report for the year ended 31 March 2017 issued on 21 September 2017 we reported a qualified conclusion in the following terms:

Basis for qualified conclusion

In considering the Authority's arrangements for securing efficiency, economy and effectiveness in its use of resources we identified the following matters:

In year reporting to Members

The Authority's in year budgetary monitoring reports to Members do not adequately explain changes to the originally agreed budget. Reporting of savings is weak, and does not provide a clear picture of planned savings to be delivered, progress to date, risk to full achievement and mitigating actions. There is no risk assessment on the deliverability of schemes. Reports to Members do not give any indication of progress with delivery of the Authority's Efficiency Plan or actions being taken to bring it back into line.

This matter is evidence of weaknesses in proper arrangements for informed decision making – reliable and timely financial reporting that supports the delivery of strategic priorities.

Financial Sustainability

The Authority updated its Medium Term Financial Plan (MTFP) covering the period to 31 March 2021, in February 2017 in line with its annual planning process. The MTFP includes savings which have not been agreed by Members and not all savings plans included have a robust business case to support them.

This matter is evidence of weaknesses in proper arrangements for sustainable resource deployment – Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions. It is also evidence of weaknesses in Informed decision making – Understanding and using appropriate cost and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management.

Qualified conclusion

On the basis of our work, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, except for the effects of the matters described in the Basis for qualified conclusion paragraphs above, we are satisfied that, in all significant respects, the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

Certificate

In our report dated 21 September 2017, we explained that we could not formally conclude the audit on that date until we had completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement. We have now completed this work.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave an unqualified opinion or a significant impact on our conclusion on the authority's arrangements for securing value for money through economic, efficient and effective use of its resources.

We certify that we have completed the audit of the financial statements of the Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

Richard Percival

Richard Percival

for and on behalf of Grant Thornton UK LLP, Appointed Auditor

The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

28 September 2017