

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE COUNTY COUNCIL (the "Authority")

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2018 issued on 31 July 2018 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2018 and of expenditure and income for the year then ended;
- had been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
- had been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Issue of audit opinion on the pension fund financial statements

In our audit report for the year ended 31 March 2018 issued on 31 July 2018 we reported that, in our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2018 and of the amount and disposition at that date of the fund's assets and liabilities;
- had been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
- had been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

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 2018 issued on 31 July 2018 we reported a qualified conclusion in the following terms:

Qualified conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, except for the effects of the matters described in the basis for qualified conclusion section of our report 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 2018.

Basis for qualified conclusion

Children's Services

In January 2017, Ofsted issued its report on the inspection of the Authority's services for children in need of help and protection. The overall judgement was that children's services were rated as inadequate.

The report concluded that:

there are widespread and serious failures in the services provided to children in Worcestershire who need help and protection and children looked after;

services for care leavers are inadequate, because young people leaving care do not consistently receive the necessary support to make a successful transition to adulthood;
services for children in need of adoption require improvement; and
elected members and senior leaders have not taken sufficient action to ensure the protection of vulnerable children.

Following the inspection the Council put in place a service improvement plan. The plan was accepted by Ofsted and subsequently Ofsted published four letters summarising their findings from monitoring visits. The most recent was published in May 2018 and concluded that while the Council continues to improve, many of the processes put in place are still new and will need time to embed.

In addition the Council also received a separate visit from Ofsted in relation to services for Special Education Needs and Disabilities. The visit was undertaken in March 2018, with the results published in May 2018. The outcome of the inspection was that a written statement of action is required because of significant areas of weakness in the local area's practice.

These matters are both evidence of weaknesses in proper arrangement for understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management, and for planning, organising and developing the workforce effectively to deliver strategic priorities.

Commissioning

In recent years the Council has awarded a number of major contracts which have not delivered the anticipated outcomes, resulting in service disruption and the need for the Council to input additional resources to ensure that services are delivered in line with expectations. The most recent was the contract for HR and Finance Services. While the Council has in each case investigated the cause of the problems, it is not clear how the learning is being understood and disseminated to all staff involved within Commissioning, or that the relevant staff all have appropriate skills to ensure contracts are procured and implemented effectively.

The issues above are evidence of weaknesses in proper arrangements for procuring supplies and services effectively to support the delivery of strategic priorities. This matter is evidence of weaknesses in proper arrangement for commissioning services effectively to support the delivery of strategic priorities.

Certificate

In our report dated 31 July 2018, 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 for the year ended 31 March 2018 and had issued our report on the consistency of the pension fund financial statements included in the Pension Fund Annual Report of Worcestershire Pension Fund with the pension fund financial statements included in the Statement of Accounts. We have now completed this work and issued the consistency opinion for the Pension Fund Annual Report.

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

J Gregory

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

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28 August 2018