

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

### **Issue of audit opinion on the financial statements**

In our audit report for the year ended 31 March 2017 issued on 7 August 2017 we reported that, in our opinion:

- the financial statements present a true and fair view of the financial position of the Authority and Group as at 31 March 2017 and the Authority's and Group's 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 audit opinion on the pension fund financial statements**

In our audit report for the year ended 31 March 2017 issued on 7 August 2017 we reported that, in our opinion:

- the pension fund's financial statements present a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2017 and the amount and disposition at that date of the fund's assets and liabilities; and
- the pension fund's 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 7 August 2017 we reported a qualified conclusion in the following terms:

#### **Basis for qualified conclusion**

In considering the Authority's arrangements for securing economy, efficiency and effectiveness we identified the following matter:

In June 2015, Ofsted issued its report on the inspection of the Authority's services for children in need of help and protection, children looked after and care leavers. The overall judgement was that children's services were rated as inadequate. The report concluded that:

- there were widespread and serious failures that potentially leave children at risk of harm;
- leaders and managers had not been able to demonstrate sufficient understanding of failures; and
- leaders and managers had been ineffective in prioritising, challenging and making improvements.

Reviews of children's services undertaken by the Ofsted in the form of monitoring visits in 2017 found that progress has been made in response to the Ofsted findings, but that further improvements are still required in a number of areas.

This matter is evidence of weaknesses in proper arrangements 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.

### **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 matter 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 7 August 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.
- completed our consideration of objections brought to our attention by local authority electors under Section 27 of the Local Audit and Accountability Act 2014. These matters have now been dealt with.
- issued our opinion on the consistency of the pension fund financial statements of the Authority included in the Pension Fund Annual Report with the pension fund financial statements included in the Statement of Accounts. Our opinion has now been issued.

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 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.

### ***Ciaran McLaughlin***

Ciaran McLaughlin  
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for and on behalf of Grant Thornton UK LLP, Appointed Auditor  
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12 February 2018