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**EXTERNAL AUDIT - LOCAL GOVERNMENT SECTOR UPDATE**

Committee: Corporate Governance and Finance Committee

Date: 3<sup>rd</sup> April 2017

Author: Principal Accountant

[R242]

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1. ISSUE

- 1.1 Ernst and Young (EY), the Council's external auditors, produce regular briefing notes, detailing their view of the local government sector and raise key questions that the audit committee need to be considering. As requested at a previous meeting of Committee, this note provides Members details of the Council's position with regard to these key questions.

2. RECOMMENDATION (S)

- 2.1 Members are requested to note the report.

3. BACKGROUND/OPTIONS

- 3.1 EY's full report is attached as appendix 1 to this report.

- 3.2 This raises five questions for the audit committee to consider. At East Cambridgeshire the Corporate Governance and Finance Committee undertake the role of audit committee, and as such, should consider the Council's position in regard to these.

3.3 Question 1

Has the Authority made a decision on whether or not to opt into the PSAA sector-led arrangement for the local appointment of auditors from 2018-19?

Full Council made the decision to opt into the PSAA sector-led arrangement at its meeting on the 5<sup>th</sup> January 2017 and the PSAA have been notified of this decision.

3.4 Question 2

Has the authority decided whether they will use the revised flexibility on the social care precept for 2017-18 and 2018-19?

Not applicable to district councils.

3.5 Question 3

How confident is the authority about its preparations for the introduction of Highways Network Assets? Have there been discussions with the external audit team on the way issues and plans for implementation?

Highways Network Assets are an upper tier function and not applicable to district councils.

3.6 Question 4

Has the authority engaged positively with health and other partners in the development of Sustainability and Transformation Plans?

East Cambridgeshire District Council was not initially involved in the development of the Sustainable Transformation Programme (STP) and is now seeking greater clarity on what actions are required of it in the implementation of the Programme. However, the Council has engaged positively with health and other partners in areas of work that feed into the overall plan, such as healthy ageing. It is anticipated that East Cambridgeshire will formalise their commitment to the STP along with the other district / City Councils by the signing of Memorandum of Understanding (MOU), the wording of which is in the process of being agreed.

3.7 Question 5

Has the Authority put plans in place to meet the faster close requirement for 2017-18?

Our timetable for the 2016-17 close has been modified to finish the process at the end of May, as required in 2017-18. We expect to be successful in hitting this revised timetable and work has already started on aspects of the close process that can be completed in advance of the 31<sup>st</sup> March.

4. ARGUMENTS/CONCLUSIONS

The Council has already undertaken steps to address all of the issues highlighted in the paper which impact on district councils.

5 FINANCIAL IMPLICATIONS / EQUALITY IMPACT ASSESSMENT

5.1 There are no financial implications linked to this report at this time.

5.2 Equality Impact Assessment (INRA) not required.

## 6 APPENDICES

### 6.1 Appendix 1 – EY Report – Local Government Audit Committee Briefing

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#### Background Documents

#### Location

#### Contact Officer

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