

EXTERNAL AUDIT - LOCAL GOVERNMENT SECTOR UPDATE

Committee: Resources and Finance Committee

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[S29]

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 Corporate Governance and Finance 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 four key questions for the audit committee to consider, page 9 of the report. At East Cambridgeshire the Resources 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 considered the potential impact of the business rate relief on the Authorities finances?

The Government have announced Section 31 grant funding to Councils, to assist them in offering Business Rate reliefs to businesses most affected by the change in rateable values on the 1st April 2017. As with most other Councils, we have not yet clarified exactly what our scheme will look like, but we plan to ensure that this remains within the funding envelope offered by Government.

A more concerning issue for East Cambs will be the implementation of the 100% Business Rate retention in local government and how the baseline for this will be set. There is no specific guidance on this at this time, various ideas have been floated by Government, but nothing confirmed at this point; we continue to monitor the situation.

3.4 Question 2

Has the Authority considered how effective the integration of health and social care has been in its local area? Are arrangements with local health partners working effectively and has the Authority considered ways in which they could be improved?

Social care is a County Council function and as such, this is not directly applicable to this Council. The District Council is however involved in discussions on integrated health care with the County Council (CCC) and Clinical Commissioning Group (CCG), with representation on the Health and Wellbeing Board and officer support group, and in the current discussions around a “whole System” approach to Health & Living Well across Cambridgeshire & Peterborough. This enables ECDC to influence strategic decisions on key areas of integration, including the potential amalgamation of the Area Health Partnerships and Local Health and Wellbeing Partnerships. Council officers are also involved in the Public Health reference group, Healthy Weight strategy task group, and the Ageing Well steering group; and there are developing operational links between leisure and health provision, including funding for a two year full time post to implement the Let’s get moving Cambridgeshire Programme.

3.5 Question 3

Has the Authority put in place processes to meet the new accounting requirement for the analysis of income and expenditure in the CIES and the new note on the Expenditure and Funding Analysis?

The Council’s Statement of Accounts are on course to be signed off by the 30th June deadline. These Accounts have incorporated additional tables reflecting the required changes in format as detailed in the above paragraph. These draft Accounts will be shared with EY in the near future and then a final version submitted to this Committee for formal sign-off on the 21st September 2017, hopefully by then with EY approval as a correct record of the Council’s spend in 2016-17.

3.6 Question 4

How well prepared is the Authority for the new requirement to collect and publish gender pay gap data?

This requirement is only on Authorities that have over 250 staff, as East Cambridgeshire has fewer staff than this threshold, we are exempt from the requirement.

4. ARGUMENTS/CONCLUSIONS

The Council has already undertaken steps to address all of the issues highlighted in the paper that 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

Background Documents

Location

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