



East Cambridgeshire District Council

Minutes of a meeting of the Audit Committee

Held in the Council Chamber, The Grange, Nutholt Lane, Ely
on Tuesday, 20 January 2026, at 2:00 pm

Present Cllr David Brown (Chair)
Cllr Keith Horgan
Cllr Lucius Vellacott (Vice Chair)
Cllr Lorna Dupre
Cllr James Lay
Cllr Ross Trent
Stephen Joyce – Independent Lay Member

Officers Jane Webb – Democratic Services & Elections Manager
Jude Antony – Director Finance & S151 Officer
Maggie Camp – Director Legal

In Attendance Rachel Ashley-Caunt – Chief Internal Auditor (IA)
Anastasia Lukhtan – External Audit (EY)
David Riglar – External Audit (EY)

26. Public Question Time

No public questions were received.

27. Apologies and Substitutions

No apologies were received.

28. Declarations of Interest

No declarations of interest were made.

29. Minutes

The Committee received the Minutes of the meeting held on 21 October 2025.

It was resolved:

That the Minutes of the meeting of the Committee held on 20 October 2025 be confirmed as a correct record and be signed by the Chair, subject to the following minor amendment:

Minute 22: Addition of “The Chief Internal Auditor agreed to meet with Cllr Horgan to discuss ARP.”

Members discussed the potential benefit of the Committee adopting a Minutes Action Log. The Chair agreed to consider this.

30. Chair's Announcements

The Chair announced that the Committee would address Item 7 – External Audit Update for 2024/25 prior to Item 6 – Statement of Accounts 2024/25.

31. External Audit Update Plan 2024/25

The Committee reviewed the External Auditor's report regarding the Audit Update for 2024/25 (reference AA121, previously circulated). David Riglar, the External Auditor, presented the Plan and noted an omission in Appendix B regarding the Summary of Assurances: Investments should have been included, and categorised as substantial assurance. He also addressed questions from the Committee members.

The Director of Finance reported that despite capacity pressures, the Council published a draft set of accounts on time. However, EY identified weaknesses in the draft's quality and audit readiness, which have been acknowledged. To address these issues, an Interim Technical Accountant has been appointed, and a Principal Accountant with strong local government experience has also been recruited. These steps directly address the audit's recommendations on capacity, technical skills, and financial statement quality, with an emphasis on ongoing improvements.

Response from External Audit to Questions from Members

1. Investments from the previous year would have been categorised as substantial.
2. The only changes to the accounts from January 6 to the backstop date are the inclusion of investments listed in Appendix B and the updates regarding two outstanding areas: Taxation Grants, which have moved to substantial assurance, and Staff Costs, which now have no assurance. At this point, there is only the capacity to conclude and finalise the audit, with no additional audit procedures to be conducted.
3. Effective communication between the external audit and finance teams early on revealed that the finance team could not provide the necessary evidence in the required format. Changes to work timelines have increased pressure and shortened deadlines. Conversations and workshops have already taken place, and matrices have been provided to ensure that these gaps are closed by 2025/26.
4. Regarding the impact of the fee scale on the audit fees, it is important to note that the Public Sector Audit Appointments (PSAA) appoint the External Auditors. The PSAA will determine the framework for what needs to be submitted to evaluate any additional fees. Currently, there is no established figure for this, and the PSAA has recommended that this information should not be included in the audit reports, as it is essential for the submission process and requires supporting evidence first.
5. It was agreed that the outcome of this audit was a foregone conclusion, resulting in a disclaimed opinion that the Council could not have avoided.

6. It was agreed that the Director Finance gave assurance by accepting the auditor's findings and explaining the process to rebuild the team's strength, demonstrating ownership and confidence.
7. The draft representation letter was a standard representation letter.
8. It was explained that 80% of other Councils' audits were still incomplete; only around 20% will qualify. Some of the gaps in East Cambs are short-term and can therefore be easily rectified, meaning assurance can be rebuilt within one year.
9. EY had no capacity over the next 6 weeks to complete any further work on the audit, only to conclude the work conducted.
10. EY stated they usually dealt with Finance Teams of 5 or 6 people answering questions to the External Audit; yet at East Cambs, all questions fell to the Director of Finance, therefore, there were capacity issues. The Chair added that new appointments have since been made.

It was resolved:

To note the update.

32. Statement of Accounts 2024/25

The Committee considered a report on the Council's Statement of Accounts for 2024/25 (AA120, previously circulated). The Director of Finance introduced the report.

Cllr Vellacott proposed, and Cllr Horgan seconded the recommendation in the report.

Members asked questions, made comments, and received responses:

1. A breakdown/explanation of the key areas of underspend, e.g., Mandatory Disabled Facilities Grant within Capital Spending in the Annual Financial Report, would be provided after the meeting.
2. The Director Finance confirmed that the figures within the 'Net Cash Flows from' box were correct and the wording underneath was incorrect.
3. A reason for the significant increase in the employee line between 2023/24 and 2024/25 will be circulated after the meeting.
4. An explanation for the income reduction in Building Control by c£30k, resulting in an overall loss of c£119k, would be circulated after the meeting.
5. An explanation as to why properties under the Collection Fund, Council Tax section, were represented with decimal values instead of whole numbers would be circulated after the meeting.

Cllr Dupre proposed an amendment to the recommendation. This amendment was seconded by Cllr Lay, as follows:

Removal of 2.1 of the recommendation and insert, "To convene a further meeting of Audit to review progress on the Statement of Accounts prior to the back stop date and consider whether to sign off the Statement of Accounts."

A discussion took place, and the following points were raised:

- There was not enough assurance to sign off on the account, and there was still too much amber and red, but there was still time between now and the end of February; the amendment would be helpful. More work was needed before the Statement of Accounts, and a separate assurance was required that the money existed.
- Internal Audit was happy to have a conversation outside the meeting to see whether they could provide any assurance but added that this was not their area.
- Other Members thought it unnecessary to convene an additional Committee meeting to discuss the Statement of Accounts as no further work was forthcoming from the external auditors, and any necessary tweaks could be signed off by the Chair and S151 Officer.

The Director of Finance assured Members that he would circulate all requested details within two days and stated that the numbers within the Statement of Accounts were correct, although some of the narrative was incorrect.

A vote was taken on the amendment with three votes for and three votes against. In accordance with Council Procedure Rule 9.1.4, the Chair had a casting vote, which he used to vote against the amendment, and the amendment fell.

A vote was taken on the recommendation as set out in the report, with three votes for and three votes against. In accordance with Council Procedure Rule 9.1.4, the Chair had a casting vote, which he used to support the recommendation, and the recommendation was carried.

It was resolved:

- That the Statement of Accounts 2024/25 be approved.
- The Chair of Audit Committee and Director Finance be authorised to sign the Statement of Accounts and Letter of Representation on behalf of the Council (making any changes necessary), prior to final sign-off by Ernst and Young (EY) before the 27 February 2026 backstop date.

33. Internal Audit Progress Report

The Committee received a report on the Internal Audit Progress Report (AA122, previously circulated), presented by Rachel Ashley-Caunt, Chief Internal Auditor.

The Chair proposed, and the Cllr Horgan seconded the recommendations in the report.

Members asked questions, made comments, and received responses:

- There were no emerging issues.
- There was one action that was overdue; this would be referred to the Monitoring Officer, and details would be sent out after the meeting.

It was unanimously resolved:

- To note the progress made by Internal Audit in the delivery of the Audit Plan and key findings.

34. Risk Register Update

The Committee considered a copy of the latest Corporate Risk Register (AA123, previously circulated), presented by Jude Antony, Director Finance.

The Chair proposed, and the Cllr Vellacott seconded the recommendations in the report.

Members asked questions, made comments, and received responses:

- Can the whole Risk Register be brought up to date?
- It is the Risk Management Team's responsibility to identify new risks to be included in the Risk Register; these have been LGR and fair funding.
- It was agreed that the Risk Management team would be asked to look at the following:
 - C1 - Could the score be reviewed, considering the recommendations from External Audit?
 - C3 - Should there be a reference to External Audit?
- C4 – Data Protection – The next staff training is scheduled for late January 2026, and in 24/25, 100% of staff completed the training. The Monitoring Officer confirmed that only eight councillors had completed the training.
- C2 – IT Security – The planned Disaster Recovery Exercise did not take place in September 2025 due to a network migration that took place, but it is scheduled for 7 February 2026.
- B3 – The Council is in a strong financial position, and currently, the Council does not believe that it must make any deductions for savings for 2028/29.
- Several requests were made.
 - A5 – For the Cambridgeshire Poverty Strategy to be added.
 - B1 – For quotes to be taken off “cost of living”.
 - C7 – To confirm date.
 - D8 – Check the residual colour column.
- D8 – It was confirmed that the Council were facing challenges with recruitment.

It was unanimously resolved:

- To note the Corporate Risk Register.

35. Forward Agenda Plan

The Committee received the Forward Agenda Plan.

It was resolved:

That the Forward Agenda Plan be noted.

The meeting closed at 3:50 pm.

Chair:.....

Date: