

Your ref:

Date: 28 November 2019

Contact: Cllr M Shellens / Tom Kelly

E mail: Corporate.Finance@cambridgeshire.gov.uk



**Resources Directorate**

Lisa Clampin, *Head of Public Sector Assurance*  
BDO LLP, Newton House, Cambridge Business Park  
Cambridge, CB4 0WZ

*LGSS Finance / Section 151 Officer*  
OCT 1114, Shire Hall  
Cambridge, CB3 0AP

*via email*

Dear Lisa

**Progress with objections received pursuant to the Local Audit & Accountability Act 2014,  
dated 10 August 2017, 11 July 2018 and Value for Money opinion 2017/18.**

More than fifteen months have now elapsed since the conclusion of BDO's most recent financial statements audit at Cambridgeshire County Council, and it will soon be two and half years since BDO received the first objection to the 2016/17 accounts from a local elector. I think it has also now been more than a year since the Audit & Accounts Committee has heard from you in public on your progress with the outstanding objections and opinion. The Committee has now mandated me to write formally to request an update, and express our angst at the continuing delay.

The County Council is respectful of objectors' statutory entitlement to raise matters with the external auditor during the public inspection period, and recognises that you must diligently complete such work as to enable you to conclude on these matters.

As part of that process, the Committee has previously understood that BDO considered it necessary to go beyond the specific items raised in the objections to consider broader, potentially connected, matters across a wider timeframe and scope and to withhold your final value for money opinion as a result. At one stage, the specific Audit Committees concerned with the outcome of the internal audit community transport investigation (which took place on 31 July 2018 and 31 October 2018) were a key milestone, but those date have now long passed without a sense that we are nearing an outcome from BDO. There have been, in retrospect, examples of a series of indicative dates for either concluding the objection or opinion which have not been fulfilled across this time.

The Committee is aware that there have been periods of updating the Council through the CCC Director of Business Improvement. However, this too has not yet yielded a formal timescale for the committee, let alone an outcome and there continues to be a sense that quite specific items of evidence, which may or may not be consequential to progressing sufficiently to reaching a finding, are held up as the reason for delay when the Council asks for an update. We would prefer a more proactive approach from BDO given the time that has now elapsed. Most recently, an audit manager from BDO has been back in touch with the CCC Finance team, but it is of concern that queries the Council responded to in May (or earlier) are continuing to be worked through.

The Committee takes seriously the County Council's stewardship of public funds and its transparency responsibilities. With that in mind, we are keen that the matters that are open to BDO are concluded in a timely fashion and reported on.

Please could you update me with progress and set out a timescale for the remaining work?

I am copying this letter to David Eagles (Contact Partner, Local Authority Contracts) and Scott Knight (Head of Audit & Assurance) at BDO, as well as PSAA Ltd, and would welcome an internal review at the firm to give further assurance that these matters are in hand and under active consideration.

Yours sincerely

A handwritten signature in blue ink that reads "M F Shellens".

Cllr M Shellens, *Chairman of the Audit & Accounts Committee*