# London Borough of Merton

Annual Audit Letter for the year ended 31 March 2015

October 2015

Ernst & Young LLP

Building a better working world

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October 2015

Dear Members

## Annual Audit Letter 2014/15

The purpose of this annual audit letter is to communicate the key issues arising from our work to the Members and external stakeholders, including members of the public.

We have already reported the detailed findings from our audit work in our 2014/15 audit results report to the 16 September 2015 meeting of the General Purposes Committee, representing those charged with governance. We reported the detailed findings from our audit work of Merton Pension Fund in our audit results report for the Pension Fund accounts to the same General Purposes Committee meeting and the 15 September meeting of the Pension Fund Advisory Committee. We do not repeat our detailed findings here.

The matters reported here are those we consider most significant for the Council and Pension Fund.

We would like to take this opportunity to thank officers for their assistance during the course of our work.

Yours faithfully

Paul King
Executive Director
For and on behalf of Ernst & Young LLP
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# Contents

# 1. Executive summary

Our 2014/15 audit work was undertaken in accordance with the Audit Plan issued in March 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by an Annual Governance Statement (AGS). In the AGS the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for having proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements, including the Pension Fund, and on the consistency of other information published with them
- reviewing and reporting by exception on the Council's AGS
- forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources
- undertaking any other work specified by the Audit Commission and the Code of Audit Practice.

Summarised below are the results of our work across all these areas:

| Area of work | Result |
|---|---|
| Audit of the financial statement of the London Borough of Merton and Merton Pension Fund for the financial year ended 31 March 2015 in accordance with International Standards on Auditing (UK & Ireland). | On 18 September 2015 we issued an unqualified audit opinion on the Council's financial statements<br>On 18 September 2015 we issued an unqualified audit opinion on Merton Pension Fund. |
| Form a conclusion on the arrangements the Council has made for securing economy, efficiency and effectiveness in its use of resources. | On 18 September 2015 we issued an unqualified value for money conclusion |
| Report to the National Audit Office on the accuracy of the consolidation pack the Council needs to prepare for the Whole of Government Accounts. | We reported our findings to the National Audit Office on 22 September 2015. |
| Consider the completeness of disclosures on the Council's AGS, identify any inconsistencies with other information which we know about from our work and consider whether it complies with CIPFA/ SOLACE guidance. | No issues to report. |
| Consider whether we should make a report in the public interest on any matter coming to our notice in the course of the audit. | No issues to report. |
| Determine whether we need to take any other action in relation to our responsibilities under the Audit Commission Act. | No issues to report. |

| ***As a result of the above we have also:*** | |
|---|---|
| Issued a report to those charged with governance of the Council with the significant findings from our audit. | Our audit results report for the main Council audit was issued on 16 September 2015 to the General Purposes Committee.<br><br>Our audit results report for the Pension Fund audit was issued to the Pension Fund Advisory Committee on 15 September and to the General Purposes Committee on 16 September. |
| Issued a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission. | Issued on 22 September 2015. |

In January 2016 we will also issue a report to those charged with governance of the Council summarising the certification (of grant claims and returns) work we have undertaken.

# 2. Key findings

## 2.1 Financial statement audit

The Council's Statement of Accounts is an important tool to show both how the Council has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and issued an unqualified audit report on 18 September 2015.

Our detailed findings were reported to the 16 September 2015 General Purposes Committee.

The main issues identified as part of our audit were:

| Significant risk 1: Accounting for schools (main Council audit) |
|---|
| During the year there was a developing national position on how councils are required to account in their financial statements for the assets of schools held by a third party (voluntary-aided, voluntary-controlled and foundation schools). The amounts associated with the treatment of these non-current assets is material to the Council's financial statements. |
| We were satisfied that the Council made an appropriate assessment of how schools related non-current assets should be recognised on its balance sheet. We gained sufficient assurance that the Council only recognised schools assets to which it has rights and obligations and that appropriate disclosures were made in its financial statements. |

| Significant risk 2: Risk of management override of controls (main Council audit and Pension Fund) |
|---|
| Our work identified no material misstatement due to fraudulent financial reporting or other evidence of material fraud. |

We also considered the impact of changes to the staffing with the Council's Finance Team, the impact of start of a new pension scheme which all members of the Local Government Pension Scheme automatically joined at the start of the year and accounting for pension scheme management costs as 'not-significant' audit risks on the main Council and Pension Fund audits respectively. We identified no matters to report.

## 2.2 Value for money conclusion

As part of our work we must also conclude whether the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This is known as our value for money conclusion.

In accordance with guidance issued by the Audit Commission, our 2014/15 value for money conclusion was based on two criteria. We consider whether the Council had proper arrangements in place for:

- securing financial resilience, and
- challenging how it secures economy, efficiency and effectiveness.

We issued an unqualified value for money conclusion on 18 September 2015.

Our audit did not identify any significant matters.

## 2.3 Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Authority for Whole of Government Accounts purposes. We had no issues to report.

## 2.4 Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's AGS, identify any inconsistencies with the other information which we know about from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

## 2.5 Objections received

We did not receive any objections to the 2014/15 financial statements from members of the Public.

## 2.6 Other powers and duties

We identified no issues during our audit that required us to use powers under the Audit Commission Act 1998, including reporting in the public interest.

## 2.7 Independence

We communicated our assessment of independence to the General Purposes Committee as part of our Audit Plan in March 2015, and as part of our Audit Results Report in September 2015. In our professional judgement the firm is independent and the objectivity of the executive director and audit staff has not been compromised within the meaning of regulatory and professional requirements

## 2.8 Certification of grant claims and returns

We will issue the Annual Certification report for 2014/15 in January 2016.

# 3. Control themes and observations

As part of our work, we obtained enough understanding of internal control to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we must tell the Council about any significant deficiencies in internal control we find during our audit.

We did not identify any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in the Council's financial statements.

# 4. Looking ahead

The following national issues are relevant to the Council.

| Description | Impact |
|---|---|
| **Highways Network Assets** | |
| The Invitation to Comment on the Code of Accounting Practice for 2016/17 (ITC) sets out the requirements to account for Highways Network Asset under Depreciated Replacement Cost from the existing Depreciated Historic Cost. This is to be effective from 1 April 2016.<br><br>This will be a material change of accounting policy for the Council. It will also require changes to existing asset management systems and valuation procedures.<br><br>Relevant assets may also be held outside of the highways department e.g. within the Housing Revenue Account, which will also have to be valued on the revised basis.<br><br>Nationally, latest estimates are that this will add £1,100 billion to the net worth of authorities. | CIPFA have produced *LAAP bulletin 100*, which provides a suggested timetable for actions to prepare for this change. This has been supplemented by the issue of the *Code of Practice on Transport Infrastructure Guidance Notes (May 2015) and ITC (July 2015).*<br><br>The Council is aware of the challenges this presents and is developing arrangements to meet the new requirements. Specific challenges will include being able to demonstrate the completeness of base information and the need to ensure that valuation information is appropriate to the Council, and that national valuation indicators are not used without consideration of their appropriateness locally.<br><br>The Council has already started work on a survey to identify its highways network assets, noting that much of the required information was already available to it. The Council has also been able to value relevant assets using currently available guidance. |
| **Better Care Fund** | |
| The Better Care Fund (BCF) is a major policy initiative between local authorities, clinical commissioning groups (CCGs) and NHS providers with a primary aim of driving closer integration and improving outcomes for patients, service users and carers. From the 1 April 2015 BCF has been set up as pooled budget between local government and NHS partners using powers available under pre-existing legislation. The partners use the pooled fund to jointly commission or deliver health and social care services at a local level.<br><br>Although local authorities, CCGs and NHS providers have experience of pooled budgets and established joint commissioning arrangements, pooled arrangements under BCF are likely to be on a much larger scale. | Local BCF arrangements may be complex and varied, involving a number of different commissioning, governance and accounting arrangements that raise risks of misunderstanding, inconsistencies and confusion between the partners. There are also structural, cultural and regulatory differences between local government and the NHS, and it is important that these are understood and considered by all of the partners in the operation of the pool.<br><br>In October 2014 HFMA/CIPFA produced "*Pooled Budgets and the Better Care Fund"* which provides more detailed guidance on the governance and finance issues underpinning the operation of a pooled budget and the associated risks and challenges faced by local government and |

Nationally the fund is comprised of a number of existing funding streams and will involve a minimum NHS spend of £3.8 billion together with other grant funding streams historically administered by local authorities.

The detailed form of local pooled arrangements is not prescribed and has needed to be agreed between the partners.

NHS partners.

Merton Clinical Commissioning Group has increased its investment in the Better Care Fund in 2015/16 by £3.6m over 2014/15 levels. Some of this investment will form part of the pooled funds with Council to deliver social care aspects such as reablement and domiciliary packages. In addition the money will also be used to provide seven-day services across community and social care.

**Earlier deadline for production and audit of the financial statements from 2017/18**

The Accounts and Audit Regulations 2015 were laid before Parliament in February 2015. A key change in the regulations is that from the 2017/18 financial year the timetable for the preparation and approval of accounts will be brought forward.

As a result, the Council will need to produce draft accounts by 31 May and these accounts will need to be audited by 31 July.

These changes provide challenges for both the preparers and the auditors of the financial statements.

The Council is aware of this challenge and the need to start planning for the impact of these changes. This will necessarily include review of the processes for the production and audit of the accounts, including areas such as the production of estimates, particularly in relation to pensions and the valuation of assets, and the year-end closure processes.

Recognising the challenges faced in 2017/18 the Council plans to bring forward the target deadline for production of its 2015/16 unaudited financial statements to 31st May 2016.

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# Local government audit committee briefing

Contents at a glance



This sector briefing is one of the ways that we hope to continue to support you and your organisation in an environment that is constantly changing and evolving.

It covers issues which may have an impact on your organisation, the Local government sector and the audits that we undertake. The public sector audit specialists who transferred from the Audit Commission form part of EY's national Government and Public Sector (GPS) team. Their extensive public sector knowledge is now supported by the rich resource of wider expertise across EY's UK and international business.

This briefing reflects this, bringing together not only technical issues relevant to the local government sector but wider matters of potential interest to you and your organisation.

Links to where you can find out more on any of the articles featured can be found at the end of the briefing, as well as some examples of areas where EY can provide support to Local Authority bodies. We hope that you find the briefing informative and should this raise any issues that you would like to discuss further please do contact your local audit team.



Building a better working world

# Government and economic news

## EY item club summer 2015 forecast

In its latest forecast, the EY Item Club highlights the continuing impact on the UK economy of world events, with those in Greece and China being of particular concern. Despite this, domestic demand remains buoyant and activity has increased since winter. They forecast GDP growth of 2.7% for this year and next, and inflation, as measured by CPI, well below target.

The latest data shows consumer expenditure remaining strong, and set to continue into next year, with the strong pound and weak commodity prices keeping inflation low. With manufacturing 'stuck in the slow lane', the economy is seen to be becoming increasingly unbalanced. The forecast goes on to predict that interest rates are unlikely to move above 3% until 2019.

Commenting on the Summer Budget, the Club sees the new surplus target as very challenging, meaning a significant increase in household taxes and a massive squeeze on welfare payments. It comments that, if the public sector is to move from heavy deficit into surplus, the private and overseas sectors must move in the opposite direction. As it sees households as being reluctant to move further into deficit, it will be up to companies to increase investment and exports to make the Budget strategy work. Alternatively, to swing the balance of payments and government accounts back into surplus, growth and imports will have to slow down.

## National living wage

In the recent Budget the Chancellor announced that, from April 2016 workers aged over 25 will be entitled to a National Living Wage significantly higher than the current minimum wage of £6.50 which applies to those aged over 21. Those entitled to the 'living wage', will get £7.20 and that will rise to at least £9 an hour by 2020. This is expected to boost the income of approximately six million workers, covering all full and part-time workers, and those in public and private sectors. Whilst the government announced changes in corporation and employment taxes which it said would offset the additional costs to employers, the former will not apply in the public sector, and many comments have been made about the significant impact on employers from bodies such as the Local Government Association and the UK Homecare Association. The EY Item Club (in its Summer Forecast) commented that **"The Chancellor has effectively passed the prime responsibility for supporting low income working people over to employers and this poses a clear risk to hours and employment"**.

# Government and economic news

All bodies will need to carefully consider the impact of the changes on their finances in the short and medium term. The impact is not liable to be limited to the additional employment costs of those employees currently on the minimum wage, but include:

- Employment costs relating to employees currently earning above minimum wage but below the National Living Wage
- Pressure on supplier contract prices arising from their increased costs (particularly in relatively low paid sectors such as care)

Whilst the increase is to be phased over a number of years, there will be a potential impact from 2015/16.

## Creating a better care system

A new report by EY, commissioned by the Local Government Association, suggests the development of a new sustainable health and social care system, backed by establishment of a £1.3 billion a year transformation fund until 2019/20. It states that the fund should focus on keeping people independent and preventing complex and long-term conditions, and should be supported by:

- A pooled health and social care budget
- Devolved powers for health
- Reformed incentives

It outlines four key areas of focus as follows:

- **Put people in control** – including expanding integrated personal commissioning across health and care, increasing the number of personal health and care budgets by 250,000 in the next five years
- **Integrate and devolve commissioning powers** – including greater local control and freedom over pooled budgets to better respond to local needs and outcomes and allow local innovation
- **Fund services adequately and in an aligned way** – including aligning social care and health funding settlements over a five year period
- **Free the system from national constraints** – including replacing the tariff in the NHS with capitated accounting and payment mechanisms

# Accounting, auditing and governance

## The 2016/17 code of practice on local authority accounting in the United Kingdom: Invitation to Comment (ITC)

Each year CIPFA issue various Invitations to Comment (ITCs), setting out the proposed changes to the Code of Practice (the Code) for the following financial year and requests responses to the specific proposals. This year the ITC also requests comments on standards that are not expected to lead to changes within the Code until later years The ITC this year has a closing date for responses of 9 October 2015.

The main changes proposed in the ITC are set out below:

**Highways network asset**

This proposal introduces the requirements for the measurement of this asset at Depreciated Replacement Cost (DRC) from 2016/17 onwards. In the ITC, CIPFA/LASAAC proposes, for the first time, that the separately identified items in the Transport Infrastructure Assets Code are classed as one asset for financial reporting purposes. It is proposed that Highways Network Asset is a separate class of asset and will be shown separately in the balance sheet.

This change is fully retrospective and will require:

- A third balance sheet as at 1 April 2014
- Fully restated comparatives for 2015/16

The ITC also confirms that an annual condition survey will be required.

As outlined in the June 2015 Audit Committee Briefing, this change will have major implications for highway authorities and non-highway authorities who have material transport infrastructure assets. We have already run a number of successful workshops for accountants and engineers at highway authorities during the summer to discuss how this fundamental change will impact on the accounts closedown and audit. As a result we will be running additional separate events for highway and non-highway authorities going forward.

**Review of accounting and reporting by pension funds**

This review coincides with the publication of Financial Reports of Pension Schemes: A Statement of Recommended Practice (2015). The ITC:

- Proposes minor changes to the Fund Account and to the Net Assets Statement to improve presentation and mirror the updated SORP
- Adapts the reporting requirements of IFRS 13 to include fair value disclosure requirements for pension fund investments in the 2016/17 Code
- Recognises that under IAS 26, three options as to how to disclose the actuarial present value of promised retirement benefits are allowed and seeks views on the option to use
- Sets out a new recommended disclosure for transaction costs

**Narrow scope amendments**

These are amendments to International Financial Reporting Standards (IFRS), largely around clarification of individual standards.

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# Accounting, auditing and governance

**The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 (English Authorities)**

The ITC updates the specific references within the Code to reflect these legislative changes. In addition it:

- Considers that a full interpretation of section 3.1 of the Code will fully meet the requirements to produce a Narrative Report
- Highlights the additional guidance provided to enable the requirement that the Narrative Report **"must include comment by the authority on its financial performance and economy, efficiency and effectiveness in its use of resources over the financial year"**

## Telling the story: consultation on improving the presentation of local authority financial statements

The financial statements are a vital part of the accountability framework of local authorities. CIPFA/LASAAC considers it vital that the user can relate the information contained within the financial statements to the funding the local authority receives and the promises made about how money will be spent.

Over the past couple of years CIPFA/LASAAC has been developing an approach to both streamline the financial statements and improve accessibility to users. The two publications Financial Statements; *A Good Practice Guide for Local Authorities* and the updated *How to Tell the Story*, have both sought to remove clutter from the financial statements and focus on material items.

The next stage was seen to be how to adapt the IFRS based accounts to improve the accessibility of information for the lay user with the benefits and improvements in reporting that IFRS has brought being retained.

The Invitation to Comment (ITC) sets out the recommended proposals for change, seeking views on whether they are considered to be the preferable option. The key strands of the proposal are that:

- To allow local authorities to report on the same basis they are organised by rather than in an analysis set out by Service Reporting Code of Practice (SeRCOP)
- To introduce a new Funding Analysis as part of the narrative report which provides a direct reconciliation between the way local authorities are funded and budget and the CIES in a way that is accessible to the lay-reader

It is important to note that the Service Reporting Code of Practice (SeRCOP) analysis used for Government returns will continue. Thus the revised approach will not, at this stage, lead to a single financial reporting regime.

The ITC also seeks views on the timing of the proposed changes and the practical effect of introducing this change in financial reporting on authorities. The closing date for responses is 9 October 2015.

# Accounting, auditing and governance

## EY digital innovation programme

In the digital age organisations are expected to be innovative and tech savvy to support the way they deliver services. As well as making services more accessible, embracing digital offers cost saving potential, and enables organisations to be forward thinking, faster and fitter.

EY has launched a Digital Innovation Programme, a new awards initiative designed to recognise and celebrate digital innovation in health and social care. Its aim is to help share best practice, and recognise and celebrate the patients, carers and citizens who, through their innovative use of digital platforms, have made a positive difference to society.

It is linked to the EY Startup Challenge which is an intensive six-week innovation programme focused on accelerating technological solutions for tomorrow's business problems. Participants will receive:

- Mentoring and coaching
- Access to the EY firm and client network
- Training and support workshops
- An understanding of how to access funding

Nominations close in November 2015 and the programme culminates in a national recognition ceremony in June 2016. More details can be found at http://www.ey.com/UK/en/Industries/Government---Public-Sector/EY-Digital-Innovation-Programme.

## Cap on public sector exit payments: consultation

The government announced in May that it intended to end six figure exit payments for public sector workers.

Exit payments help to unlock substantial reductions in staff costs in the medium to longer term and help authorities to meet the challenge of reduced funding available. However, given the scale of the costs associated with exit payments it is vital that they offer value for money to the taxpayer.

The government already has in place, for 2016, legislation to prevent highly paid individuals who return to the public sector within 12 months of exit from retaining their full exit payment.

Following on from this the government believes that it is right to ensure that public sector workers do not receive disproportionately large exit payments in the first instance. In particular the government is concerned about the number of public sector workers who are receiving exit payments of six figures. In 2013-14 alone, nearly 2,000 public sector employees received exit payments costing more than £100,000.

The government has proposed to introduce a cap of £95,000 on the total value of exit payments and HM Treasury launched a consultation on the proposed cap which ended in August 2015.

The current proposal has indicated that compensation payments in respect of death or injury attributable to the employment, serious ill health and ill health retirement will not be in the scope of the cap.

# Regulation news

## PSAA annual regulatory compliance and quality report

Public Sector Audit Appointments (PSAA) have released their Quality Review Programme annual reports for the 2014/15 audit season. There are individual reports on the seven principal audit firms and an overall summary report that compares all firms. The two main categories auditors are monitored for are audit quality and regulatory compliance.

PSAA have used a Red, Amber, Green (RAG) system throughout their reports. EY were one of two firms that received Green for the combined regulatory compliance and audit quality performance rating with the remaining five audit firms receiving an Amber rating.

For the second year in a row EY have received the highest Audit Quality score improving from 2.49 in 2014 to 2.55 in 2015 compared to a 2015 average of 2.19. Similarly for the financial statement audit work EY topped the table with a score of 2.36 compared to an average of 2.07.

As well as obtaining Green ratings for the two above categories, EY received a Green rating for Whole of Government Accounts work, VFM Conclusion work, Housing Benefit work, Regulatory Compliance, and Client Satisfaction.

The PSAA report on EY states:

**"The firm is meeting our standards for overall audit quality and our regulatory compliance requirements. The firm has maintained its performance against the regulatory compliance indicators since last year, with all but one of the 2014-15 regulatory compliance indicators scored as green. The firm's overall weighted audit quality score has increased from last year and the satisfaction survey results show that audited bodies are satisfied with the performance of EY as their auditor."**

Based on this review, PSAA state:

**"We are satisfied that the risks of audit failure remain low; that all firms are meeting PSAA's regulatory requirements; and that all firms are continuing to produce work to an acceptable standard."**

## Auditors' work on value for money arrangements

The Local Audit and Accountability Act 2014 provided the Comptroller and Auditor General with the power to issue guidance to auditors which may explain or supplement the provisions of the Code of Audit Practice. This was a role previously undertaken by the Audit Commission.

# Regulation news

This guidance is issued in the form of Auditor Guidance Notes (AGNs) and the 2014 Act requires auditors to comply with this guidance.

The NAO is currently consulting on a draft AGN regarding auditors' work on value for money arrangements. The consultation closes 30 September 2015 in advance of the guidance being issued in November 2015. EY and other audit suppliers are currently coordinating their responses to the draft guidance which would apply to audits from 2015/16 onwards.

## A short guide to the NAO's work on local authorities

The NAO is publishing a suite of short guides relating to each government department and some cross-government issues. Although the main purpose of these guides is to assist House of Commons Select Committees, the guide on local authorities provides a useful overview for elected members. It includes arrangements for funding, major recent developments, the pressures faced by local authorities, and developments that are on the horizon.

## Care Act first-phase reforms: local experience of implementation

Under its powers in the Local Audit and Accountability Act 2014, the Comptroller and Auditor General has published a report concerning the Care Act.

The Care Act 2014 puts new legal responsibilities on local authorities in England and requires them to cooperate with local partners to meet them. The NAO have previously reported that only a fraction of care is publicly funded, with the majority of support and care being provided by unpaid family, friends and neighbours. Many adults pay for all or a proportion of their care. Despite this, adult social care continues to be one of the biggest areas of spending for many local authorities. For 2014/15, the NAO estimates that net spend on adult social care in 2014-15 for local authorities is £14.4 billion.

This further report follows the NAO's report on central government's approach to the Care Act First-phase reforms, and provides examples from local case study areas which show how different authorities are addressing risks arising from uncertainty in demand from carers and self-funders.

# Key questions for the audit committee

**What questions should the Audit Committee ask itself?**

Has the authority considered the impact (both direct and indirect) on its finances of the National Living Wage?

Are there any patients, carers or citizens that we wish to nominate for the EY Digital Innovation Programme?

Are we aware of our responsibilities under the Care Act 2014, and have we considered what changes we may need to make in order to fulfil our responsibilities whilst maintaining affordability?

# Find out more

**EY item club summer 2015 forecast**

For details of the EY Item Club's latest forecast, see http://www.ey.com/UK/en/Issues/Business-environment/Financial-markets-and-economy/ITEM---Forecast-headlines-and-projections

**National living wage**

Sources include:

BBC – http://www.bbc.co.uk/news/uk-politics-33437115

Local Government Association – http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7386419/NEWS

UK Homecare Association – http://www.ukhca.co.uk/downloads.aspx?ID=473

**Creating a better care system**

Find out more details and a copy of the report at http://www.local.gov.uk/web/guest/publications-list/-/journal_content/56/10180/7350693/PUBLICATION

**2016/17 code of practice ITC**

For details about the CIPFA Invitation to Comment on the 2016/17 Code of Practice, see http://www.cipfa.org/policy-and-guidance/consultations/201617-code-of-practice-on-local-authority-accounting-in-the-united-kingdom-invitation-to-comment

**'Telling the Story' ITC**

More information about CIPFA's consultation on 'Telling the Story' can be found at http://www.cipfa.org/policy-and-guidance/consultations/telling-the-story-improving-the-presentation-of-local-authority-financial-statements

**EY digital innovation programme**

Details of the programme and how to nominate can be found at http://www.ey.com/UK/en/Industries/Government---Public-Sector/EY-Digital-Innovation-Programme

**Cap on public sector exit payments: consultation**

The details of the Government's consultation on capping public sector exit payments can be found at https://www.gov.uk/government/consultations/consultation-on-a-public-sector-exit-payment-cap/consultation-on-a-public-sector-exit-payment-cap

**PSAA annual regulatory compliance and quality report**

The PSAA's Audit Quality webpage can be found at http://www.psaa.co.uk/audit-quality/, the annual Regulatory Compliance and Quality Review Programme report is at http://www.psaa.co.uk/wp-content/uploads/2015/07/Annual-Regulatory-Compliance-and-Quality-Review-Programme-2015-Final.pdf, and the report specific to EY is at http://www.psaa.co.uk/wp-content/uploads/2015/07/EY-2014-15-Annual-Regulatory-Compliance-and-Quality-Report-Final.pdf

**Auditors' work on VfM arrangements**

The consultation document is available at http://www.nao.org.uk/keep-in-touch/wp-content/uploads/sites/11/2015/08/Vfm-arrangements-auditor-guidance-consultation-document.pdf

**A short guide to the NAO's work on local authorities**

To access the interactive guide see http://www.nao.org.uk/wp-content/uploads/2015/08/A-Short-Guide-to-the-NAOs-work-on-local-authorities2.pdf

**Care Act first-phase reform**

The full report is available at http://www.nao.org.uk/report/care-act-first-phase-reforms-local-experience-of-implementation/

## Notes

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