

South Cambridgeshire District Council

Minutes of a meeting of the Audit and Corporate Governance Committee held on
Thursday, 1 December 2022 at 10.00 a.m.

PRESENT: Councillor Michael Atkins – Chair
Councillor Peter Sandford – Vice-Chair

Councillors: Geoff Harvey Mark Howell
Helene Leeming Heather Williams

Officers: Stephen Kelly Joint Director of Planning and Economic
Development
Peter Maddock Head of Finance
Jonathan Malton Cabinet Support Officer
Ian Senior Scrutiny and Governance Adviser
Liz Watts Chief Executive
Anne Ainsworth Chief Operating Officer
Peter Campbell Head of Housing
Rory McKenna Monitoring Officer

Auditors: Janet Dawson E & Y
Mark Russell E & Y
Jonathan Tully Head of Shared Internal Audit

Councillors Cllr Dr Lisa Redrup and Cllr John Williams was in attendance remotely.

1. Apologies for Absence

Councillor Richard Stobart sent apologies.

2. Declarations of Interest

Councillor Peter Sandford declared an other registrable interest as a non-remunerated director of South Cambs Ltd trading as Ermine Street Housing.

3. Minutes of Previous Meeting

The Audit and Corporate Governance Committee authorised the Chair to sign, as a correct record, the minutes of the meeting held on 29 September 2022.

4. November 2022 Risk Register

The Audit and Corporate Governance Committee **received and noted** a report providing an update about changes to risk reporting at South Cambridgeshire District Council, the recent review of corporate risks, and a summary of current strategic risks.

Referring to Risk no. 22 (Compliance Risk – Council Housing), Councillor Heather Williams sought assurance that the risk to tenants' health from mould had been

considered. The Head of Housing said the Risk no. 22 was intended to address instances of statutory compliance. Instead, he agreed to review the extent of Risk no. 24 (New Mears contract fails to deliver service) to specify the need for Mears contractors (and other authorised visitors to Council properties) to report signs of damp.

In response to Councillor Heather Williams' concern about Risk no. 2 (Cyber security breach), the Chief Operating Officer agreed that the risk was high and outlined some of the measures being taken to mitigate that risk. The Chief Executive added that the importance of user awareness of potential threats was regularly emphasised.

Councillor Geoff Harvey welcomed the availability to Members of Leadership Team emergency telephone numbers.

Councillor Helene Leeming asked about timescales in relation to Risk no. 14 (Economic pressures increase). The Head of Finance said that officers were currently drawing up mitigation measures ahead of an anticipated cut in local government funding in 2025-26.

The Chief Executive agreed to consider what role the Audit and Corporate Governance Committee should play in the review of Shared Service governance.

5. Mid-year 2022/23 Treasury Management Report

The Audit and Corporate Governance Committee **received and noted** a report outlining mid-year Treasury Management to 30 September 2022, including performance against the approved Prudential Indicators for treasury management.

In presenting the report, the Head of Finance drew Members' attention to an error in the table at paragraph 17. On line 5 (Clearing Banks) the figure in the 'matured' column should be '(15,000)' and not '(5,000)'. He summarised the Council's current position regarding short-term borrowing and investment in commercial property. He anticipated that there would be changes to the Capital Strategy.

The Chair said that Ermine Street Housing was significant in considering the Council's overall treasury management.

6. EY Update on 2019/20 Final Accounts

The Audit and Corporate Governance Committee **received and noted** an update from the Council's external auditors (Ernst Young) about the final accounts for 2019-2020.

While there had been some improvement in the working relationship between South Cambridgeshire District Council and Ernst Young, there remained concern that the latter needed to be more precise when requesting information. Mark Russell from Ernst Young and the Head of Finance agreed to address this issue outside the meeting.

7. Update on the Final Accounts 2019/20

The Audit and Corporate Governance Committee **received and noted** a report providing an update about 2018-19 audit fees, the 2019-20 final accounts audit, and preparation for the 2020-21 final accounts audit.

Councillor Heather Williams suggested that having permanent staff instead of interims would create more stability. The Head of Finance explained how the existing two Interims in Finance were contributing to the work in hand and expressed confidence in the resilience within the team finalising the accounts.

The Chair thanked the Head of Finance and his staff for their hard work.

8. Internal Audit: Governance Risk and Control Update

The Audit and Corporate Governance Committee **received and noted** a report providing an update about topical news items which contribute to the Committee's understanding of corporate governance matters.

Councillor Mark Howell asked that it be made clear that housing allocations were made without any influence from elected Members.

With regard to Disabled Facilities Grants, the Head of Internal Audit explained that the reduced number of grant applications during the period under review was likely to have been because of reduced engagement as people moved out of lockdown. He noted that the Council was seeking to promote the availability of such grants.

The Chair requested that details of a recent risk be reported to the Committee once the Head of Internal Audit had concluded his investigations.

Councillor Geoff Harvey requested that Internal Audit investigate ways of monitoring the effectiveness of e-mail communication between members of the public and Council officers.

The Chair thanked the Head of Internal Audit and his team for their hard work.

9. Regulation of Investigatory Powers Act 2000 (RIPA) - Update on Use of RIPA

The Audit and Corporate Governance Committee **received and noted** a report informing it that South Cambridgeshire District Council had not used surveillance powers between 29 September 2022 (when the Committee last met) and 23 November 2022.

10. Matters of Topical Interest

Councillor Heather Williams and the Head of Finance agreed to discuss, outside the meeting, the development of a Audit Efficiency Toolkit for Members.

The Chair referred to new CIPFA guidance that local authority Audit Committees appoint an independent person to serve as a committee member. The Chair

invited the Committee to consider what the process and criteria should be for selecting an independent person.

11. Date of Next Meeting

The Audit and Corporate Governance Committee noted that its next scheduled meeting would be on Thursday 23 March 2023 starting at 10.00am.

However, there was a need before then for an additional meeting to sign off the 2019-20 accounts and Thursday 12 January 2023 had been identified as a possibility. Councillor Mark Howell said this would clash with his meeting at Cambridgeshire County Council. The Chair and Committee asked that Democratic Services find a suitable alternative, with 19 January 2023 being favoured, and confirm with Members in due course.

The Meeting ended at 11.20 a.m.
