

South Cambridgeshire District Council

Minutes of a meeting of the Audit and Corporate Governance Committee held on
Tuesday, 28 November 2023 at 10.00 a.m.

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

Councillors: Geoff Harvey
Helene Leeming
Heather Williams

Mark Howell
Richard Stobart

Officers: Patrick Adams
Kevin Ledger
Peter Maddock

Senior Democratic Services Officer
Senior Policy and Performance Officer
Head of Finance

Auditors: Janet Dawson
Mark Russell
Jonathan Tully

E & Y
E & Y
Head of Shared Internal Audit

Councillors Cllr Peter Fane was in attendance remotely.

1. Apologies for Absence

There were no Apologies for Absence.

2. Declarations of Interest

Councillor Heather Williams declared an Other Registerable Interest as a member of the Greater Cambridge Partnership Joint Assembly.

Councillor Peter Sandford declared an Other Registrable Interest as a non-remunerated director of South Cambs Ltd trading as Ermine Street Housing.

Councillor Richard Stobart an Other Registrable Interest as a director of both South Cambs Investments Partnership and South Cambs Projects.

Councillor Mark Howell declared an interest as a County Councillor.

3. Minutes of Previous Meeting

The minutes of the meeting held on 13 October 2023 were agreed as a correct record, subject to the following amendments:

- Councillor Mark Howell's presence was recorded.
- The second paragraph of minute seven was amended to:
"The Policy and Performance Officer agreed to raise the question as to whether an additional risk is required in relation to sufficient training for both officers and councillors."

New External Auditors

The Chair introduced representatives from KPMG who would be taking over as the Council's external auditors for the auditing of the 2023/24 accounts. Director Andrew Cardoza, Senior Manager Debbie Stokes and Shaniah Wilkes introduced themselves and provided details of their experience in auditing the public sector. It was noted that KPMG intended to finalise their plans for the 2023/24 audit by the end of March 2024.

Members of the Committee welcomed KPMG and looked forward to working with them in the future. In response to questioning, Andrew Cardoza confirmed that KPMG planned to set up workshops with officers and members of the committee. He also confirmed that measures would be put in place to ensure a smooth transition from the Council's current auditors to KPMG.

4. Final External Audit Results Report - Report to Follow

Janet Dawson presented external audit's Final Audit Results Report. She was pleased to announce that the auditors were in a position to declare an unqualified opinion on the financial statement. Mark Russell reported that testing had been completed and a final set of accounts had been drawn up for the Committee's consideration.

Minor amendment

Janet Dawson agreed to correct the date "23 December 2023" under the heading "Significant weaknesses in arrangements" in the report.

Best Value Notice

Janet Dawson explained that the auditors would look at how the Council would respond to the Government's Best Value Notice, but would not comment on the Government's decision to serve the Notice.

In response to questioning Janet Dawson reported that if any concerns regarding value for money were discovered by the external auditors would be reported to the Council. No significant concerns regarding value for money in the way in which the authority was operating had been discovered.

Overvaluing of investment

The Head of Finance explained that for accounting purposes investment properties had been valued as if they were freehold when they were actually leasehold. This would have not have affected the expected income. One of these properties had since been sold.

Rules regarding future audits

Janet Dawson reported that External Auditors were still waiting for guidance from the Government on how outstanding audits could be completed to allow councils to get their auditing process up to date.

The Head of Finance reported that he hoped that the audit of the 2021/22 accounts would be completed by Christmas.

The Committee **noted** the report.

5. **Completion of Accounts for 2020/21**

The Head of Finance presented this report, which invited the Committee to approve the audited statement of accounts for 2020/21.

The Head of Finance confirmed that adjusting the value of the assets of the investment property had not any cash impact on the Council's finances.

The Head of Finance acknowledged that the wording in the report needed to be amended to reflect the fact that whilst in the past the Council had used its reserves to keep council tax low this was not currently the case.

The Committee **agreed** to approve the audited statement of accounts for 2020/21, as presented in Appendix A.

The Committee **noted** that the 2020/21 accounts audit was now complete, save for final closing procedures to be carried out by the Auditors.

6. **Governance Risk and Control Update**

The Head of Internal Audit presented this report that updated the Committee on topical news items which contribute to their understanding of corporate governance matters.

Members of the Committee supported the work of the anti-fraud team. It was suggested that cyber security was of utmost importance. The Head of Finance agreed to provide a written response to the question whether the Council would seek to claim back its legal costs if it successfully prosecuted a person for fraud.

Members of the Committee also asked if the number of fraud cases had increased and if there was any comparative data with other local authorities. The Chair suggested that the Local Government Association could be asked to provide guidance on how councils' performances could be compared.

It was noted that the Council had introduced a new software system for tackling fraud, which was used by other local authorities.

The Committee **noted** the report.

7. **Ombudsman Annual Review Letter 2022/23**

The Senior Policy and Performance Officer presented this agenda item on the annual letter from the Local Government Ombudsman, which provided their annual summary of the complaints they had received about the Council between 1 April 2022 and 31 March 2023. A total of 24 complaints had been received by the Ombudsman, six of these had been investigated and of these five, or 83%, had been upheld. Three of the complaints that had been upheld referred to the same issue regarding the undertaking of planning site visit without a record. Action had

been taken to ensure that proper records would be taken in the future. Another complaint had been about the awarding of a Covid-19 Restart Grant for businesses. The Ombudsman had found that the Council's decision had been correct, but the authority's communication of the decision should have been better. It was noted that these findings had been discussed at Corporate Management Team (CMT), who would review how the authority could learn from its complaints every six months.

Learning from complaints

The Senior Policy and Performance Officer explained that the Council was committed to learning from the complaints process, with managers discussing the lessons learned at CMT meetings.

Number of complaints

Councillor Richard Stobart stated that the actual number of complaints were low and this should be taken into account when comparing percentages with other neighbouring authorities. The Senior Policy and Performance Officer agreed to find out the total number of complaints received by the Council every year.

Volume of complaints

The Senior Policy and Performance Officer explained that complaints received about the planning service last year was partly due to the backlog of work, which had since been reduced. He agreed to check that any complaints received regarding a planning application in the City Council's administrative area would be dealt with via the City Council's complaints procedure. It was noted that there was always likely to be a large volume of complaints relating to the waste service, due to the number of bins that needed to be collected.

Compensation

The Senior Policy and Performance Officer agreed to find out how much the Council had paid out in compensation.

The Chair requested that in the future these annual letters from the Ombudsman could be taken to September's Committee meeting.

The Committee **noted** the report.

8. Matters of Topical Interest

There were no matters of topical interest.

9. Date of Next Meeting

It was noted that whilst the date of the next meeting was 10 am on 19 March, it was likely that an additional meeting would be held in January to discuss the 2021/22 accounts.

The Meeting ended at 11.40 a.m.
