

South Cambridgeshire District Council

Minutes of a meeting of the Audit and Corporate Governance Committee held on
Thursday, 29 September 2022 at 10.00 a.m.

PRESENT: Councillor Peter Sandford – Chair

Councillors:	Jose Hales	Geoff Harvey
	Helene Leeming	Dr Lisa Redrup
	Richard Stobart	Heather Williams

Officers:	Rebecca Dobson	Democratic Services Manager
	Peter Maddock	Head of Finance
	Rory McKenna	Monitoring Officer
	Liz Watts	Chief Executive

Auditors:	Jonathan Tully	Head of Shared Internal Audit
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Councillor Mark Howell was in attendance, by invitation.

Councillor Cllr John Williams was in attendance remotely.

1. Apologies for Absence

Councillor Michael Atkins sent apologies for absence.

2. Declarations of Interest

In response to a question from the Chair, the Monitoring Officer confirmed that it was important to make a declaration of any interest at each meeting.

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 declared an other registrable interest as the Council's Board Member on the South Cambridgeshire Investment Partnership LLP.

Councillor Jose Hales declared an other registrable interest as a Trustee of the Melbourn Warden Scheme, which received a grant from the Council.

3. Minutes of Previous Meeting

By affirmation, the Minutes of the meeting held on 28 July 2022 were **approved** as a correct record.

The Chair referred to the nature of the debate at the previous meeting and said the Leader wished to remind all Members that debate should be respectful of others' views.

Councillor Heather Williams said it would have been helpful to know what it was that the Leader had referred to. She asked the Chair whether he would confirm that as this committee had a scrutiny function, it was non-political.

The Chair confirmed that this was the case.

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

The Monitoring Officer presented a report on the use of powers under the Regulation of Investigatory Powers Act 2000.

The report invited the Committee to note that the Council had not used surveillance powers since the Committee had last met or between the period July 2022 to August 2022.

The Committee **noted** the report.

5. **Public Speaking**

The Chair noted that the public speaker, Daniel Fulton, was not present.

6. **Treasury Management - Annual Report 2021/22**

The Committee considered the Treasury Management Annual Report 2021/22.

The Chief Finance Officer presented the report, which outlined the Treasury Management activities in the financial year 2021/2022 and invited the Committee to approve the report.

Members asked a number of questions on the report, and received responses, as follows.

Whilst some of the Council's investments had matured, in general they had been rolled over. The mid-year report would provide an update on this aspect.

In view of uncertainty over interest rates, a review of long term and short-term borrowing would take place, taking account of the increasing interest rates at present.

The amount of refinancing would be £50million, some of which was due for refinancing in December. It would be likely that a mixture of options would be selected and advice on strategy would be taken from the Council's treasury advisers.

The Treasury Strategy report would be brought to the Committee following revision in view of the current changes to the national financial environment.

Regarding inflation and the extent to which the Council was committed to investments, a significant proportion of the Council's investments were with Ermine Street Housing, and most of the remaining investments were short term, so the Council had some flexibility. The prospect of investing for longer terms could be considered.

Regarding the selection of local authorities in which to invest, a broker's services were relied upon to identify which were looking to lend or to seek investment.

Regarding the approach to monitoring investment risks, the Council's risk register was currently being updated and officers reviewed it on a quarterly basis.

By affirmation, the Committee **approved** the report.

7. Whistleblowing Policy

The Committee considered a report seeking approval of an updated Whistleblowing Policy for the Council as part of counter-fraud policies.

Following presentation of the report by the Head of Shared Internal Audit, Members suggested amendments and made a number of comments as follows.

In line with the recommendations of the Anti-Bullying Task and Finish Group which had looked at whistleblowing, the policy should include provision for employees to be required to read such policies annually.

Regarding the posters which were to be displayed as part of engagement with staff, these should be placed in private locations to enable people to view them without being observed.

The policy should be amended to include reference to third party visitors and contractors.

The code should be read in conjunction with other HR policies. Links to those should be made easily available alongside this policy.

A QR code should be included in the posters linking to the policy and other relevant information so all related policies could be easily found.

The section on independent advice should be given greater prominence and the way in which external contractors could access it should be clarified.

The Head of Shared Internal Audit said the suggestion regarding reminders to employees to read the policy annually would be considered and a response provided to Members in due course. Use of a QR code would be explored, and the other suggestions would be incorporated.

Subject to the above amendments the Committee **approved** the Whistleblowing Policy by affirmation.

8. Governance Risk and Control Update

The Committee received a report giving an update on topical news items contributing to the Committee's understanding of corporate governance matters.

The Head of Shared Internal Audit highlighted the key points of the report including the summary of reviews and forward planning. He referred Members to the Counter Fraud update in which the Committee's feedback from the previous meeting had been incorporated.

Members made a number of comments, summarised as follows.

Counter-fraud cases

Where the report stated instances of suspected fraud were uneconomical to investigate, it should be obligatory to do so as a matter of principle as a deterrent, and the Council should give a full commitment to pursue these instances. In respect of the one case listed in the report where fraud had been proven but there was to be no further action, the Committee expressed concern and requested further details.

It was queried whether the Council had enough resources to carry out the 131 live investigations stated in the report.

The Chief Finance Officer said that whilst good progress had been made by the dedicated temporary investigator, more referrals were being made and were likely to continue. In response, Members suggested consideration be given to allocation of a permanent employee resource.

Carbon emissions data

An update of the progress made in assessing the carbon management challenges of IT systems following entering into a shared ICT service was requested. Officers confirmed work on this request from the previous meeting was progressing and an update would be brought back to the Committee.

Members asked where the measurement standard came from, and whether there were there choices to be made in respect of what was considered robust, including how accuracy could be achieved.

Officers responded that much data quality assurance involved challenging the data, ensuring its accuracy and questioning assumptions. However, the standards were continually changing and the Local Government Association was providing useful information on this.

Members asked whether a log of assumptions was kept, which might then be updated as new insights arose. The Head of Shared Internal Audit said this data was held by the relevant teams, not Internal Audit, but in relation to data collection, the methodology was moving towards smart recording.

Feedback on use of charts

Members' feedback was given regarding the accessible appearance of charts shown in reports to ensure they could be easily read.

Embedded carbon

A request was made for an explanation as to whether the Council was accounting for embedded carbon in respect of initiatives such as the work done in the car park for the Greening project at South Cambridgeshire Hall.

The Head of Shared Internal Audit said this request would be taken away and a response to this question would be provided at a later date.

The Committee **noted** the report.

9. Matters of Topical Interest

The Chief Finance Officer presented a report on the 2018/19 Audit Fees, explaining that whilst it had been proposed at the July meeting of the Committee that an updated be brought to the Committee on this issue, following a meeting with the external auditors, EY, it was agreed that the issue should be dealt with by the Public Sector Audit Appointments (PSAA) for them to review and provide a ruling. It was unlikely their work would be concluded before November, so the report set out a position statement as at the end of September.

The review would be binding on both the Council and on the auditors.

Comments from Members were as follows:

The update was welcomed and once the PSAA report was received, it should be provided to the Committee.

Regarding the correction in the second supplementary agenda, a question was asked as to which party had expressed their discontent with the arrangement. The Chief Finance Officer said the correction did not reflect any dissatisfaction about the PSAA review process, but simply clarified the wording of the original report to make it clearer that such a review was a matter of course.

Audit toolkit

A proposal to provide a toolkit for Members of the Committee was welcomed to ensure Members were equipped and well trained for their work.

The Chief Finance Officer said officers would seek more feedback on what Members would like to be included in a toolkit in order to progress this request.

Treasury Management training

The Chief Finance Officer said a training session for Members on Treasury Management would be arranged in November. He sought comments as to preferred format and dates. Members expressed a preference for in person training and for alternative dates to be offered.

2019/20 audit

The Chief Finance Officer gave a brief update in response to a Member question on the 2019/2020 audit, explaining progress was now being made.

10. Date of Next Meeting

It was noted that the next meeting would be held on Thursday, 1 December 2022, at 10 am.

The Meeting ended at 11.15 a.m.
