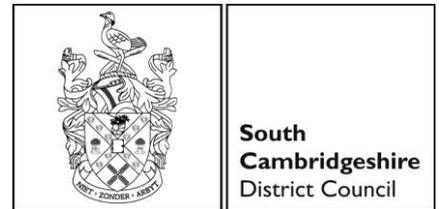


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28 July 2021

To: Chair – Councillor Tony Mason  
Vice-Chair – Councillor Nick Sample  
Members of the Audit and Corporate Governance Committee –  
Councillors Jose Hales, Geoff Harvey, Mark Howell, Fiona Whelan and  
Heather Williams

Quorum: 3

Dear Councillor

This is a supplement to the previously-published agenda for the meeting of **Audit and Corporate Governance Committee** on **Thursday, 29 July 2021** containing those reports which had not been received by the original publication deadline.

Yours faithfully  
**Liz Watts**  
Chief Executive

Requests for a large print agenda must be received at least 48 hours before the meeting.

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### Agenda

	<b>Pages</b>
<b>6. Audit of 2018/19 Accounts (Report to Follow)</b>	<b>1 - 4</b>
<b>8. Matters of Topical Interest</b>	<b>5 - 12</b>

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# Agenda Item 6



South  
Cambridgeshire  
District Council

**Report To:** Audit and Governance 29<sup>th</sup> July 2021

**Lead Cabinet Member(s):** Councillor John Williams,  
Lead Cabinet Member for Finance

**Lead Officer:** Peter Maddock, Head of Finance

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## **Audit of the 2018/19 Accounts**

### **Executive summary**

1. The 2018/19 Audit of the Accounts is nearing completion. It had been hoped to complete the process by now but issues with the Fixed Asset register have become somewhat protracted and at the time of writing have not been resolved.

### **Recommendation**

2. **To note the position on the Audit of the Accounts for 2018/19.**

### **Background information**

#### **Introduction**

3. The draft 2018/19 accounts have been undergoing audit since late last calendar year and whilst this has not been a continuous process overall it has taken rather longer than expected and this has been exacerbated by the ongoing work to get the Fixed Asset Register opening balances to line up with the 2018/19 accounts. The Asset Register has been a difficult nut to crack. The Council have experienced delays in data upload and correction as we are reliant on CIPFA, who provide the system, and remote working has also introduced delays into the process .

#### **2018/19 Accounts Audit remaining timeline**

4. It is fair to say failure to complete the accounts sign off by this meeting is extremely disappointing and whilst there has been a significant improvement in the audit of the accounts process this has been overshadowed by the failure to get the Fixed Asset Register to line up with the accounts. The audit process excluding the fixed asset register whilst it has not been perfect has been much improved on the experience in 2017/18. However there were delays in response times which was partly related to the remote working caused by covid, but also the passage of time since the year in question

creates issues such as difficulty locating working papers and relevant information. It is also worth noting that the significant number of errors experienced in 2017/18 has not been repeated though some amendments to the disclosures have been necessary.

5. There are three main asset register issues still ongoing which I will deal with in turn.
6. Firstly there are a number of pieces of land that are on the asset register with a nil value that require further investigation. Most of these pieces of land are owned by the Housing Revenue Account and are likely to be small and their value is likely to be low however we need to obtain the evidence to support this assertion. Colleagues in Housing Services are currently reviewing the list to establish the size and status of these pieces of land. Once this exercise is complete, hopefully later this week, we will know what action if any needs to be taken. It is likely some work will be required to either remove or amend information on the register even if there is no financial effect on the accounts. There will also be a need to carry out a revaluation exercise on these assets even if that is to confirm their value should remain at nil.
7. Secondly ensuring the opening balance of the Fixed Asset Register matches the Statement of Accounts. Whilst the in year transactions on the register are correct the opening balances are not. This is a bit of a hangover from 2017/18 and has been very difficult to progress, the Council has been in discussion with CiPFA for a while now attempting to resolve the issue. At the time of writing the information has now been corrected and the relevant note is being prepared for the auditors.
8. Thirdly there is a significant difference between the balance on the revaluation reserve in the asset register and that in the accounts. This is under investigation at the moment and any corrective action needed will be required before the audit can be completed.
9. An additional going concern assessment was added to the audit process last year as a result of the pandemic. This involves providing the auditors with information on the Council's finances for a period of a year after sign off so in relation to 2018/19 to August 2022. General Fund and cashflow projections have been provided for this purpose along with some disclosure notes to the accounts. It is important to note that the provision of this information to the auditors in no way means there is any doubt about the Council being a going concern it is just provided to satisfy this additional requirement placed on them.
10. It is recognised that the signing off of the 2018/19 accounts will, as was the case for 2017/18, be significantly after the year in question has ended however the actual time taken to complete the audit should be rather less.

11. Once the final points have been resolved the accounts can be signed off but it will be necessary to convene an additional meeting for that to take place.

### **2019/20 Accounts Audit timeline**

12. The timeline for the audit of the 2019/20 accounts is completely dependent on the outcome of the current audit, because we need the agreed closing position for 2018/19 before the 2019/20 accounts can be completed. This makes it quite difficult to estimate when the 2019/20 accounts audit will start. Much of the work on 2019/20 has been completed and once the asset register issues have been resolved and the system rolled into that financial year the accounts can then be completed. It is intended to take on additional resources with a view to speeding up the accounts closure and audit processes to give an opportunity for the Council to catch up as soon as possible.
13. The other issue will be organising the audit resources to carry out the work at a time when other audits are occurring with the uncertainty of not being exactly sure when the 2019/20 accounts will be ready for audit. At this stage the plan is for the audit to start in October 2021 and we need to progress this as soon as we possibly can with a view to completing both 2019/20 and 2020/21 by 31<sup>st</sup> March 2022. This might now be looking a bit optimistic but is something we must aim for but will need to discuss with the new lead auditor who will be taking over during August.

### **Options**

14. The report is a position statement informing members of the progress so far and the estimated timeline going forward.

### **Implications**

15. In the writing of this report, taking into account the financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

#### ***Legal***

16. Since 2016 there has been a requirement under the Accountancy and Audit Regulations for council's to present their accounts for the preceding financial year for audit by 31<sup>st</sup> of May each year and for those accounts to be audited and published by 31<sup>st</sup> July each year. An extension was granted for 2019/20 and 2020/21 accounts due to COVID but the delay in the audit of the 2018/19 accounts has made this largely academic.

#### ***Financial***

17. There will be additional audit fees over and above the scale fee set, there were additional fees ensuring the transfer of information from the old finance

system to the new which occurred during the year and additional fees are incurred as a result of having to prepare group accounts. The protracted nature of the audit will involve some additional fees too.

### ***Risk***

18. There is a risk that the financial statements are incorrectly stated with consequential impacts. This is still a significant risk going forward but with a dedicated experienced resource now tasked with accounts completion for 2019/20 the risk should be mitigated to an extent.

### ***Environmental***

19. There are no environmental implications arising directly from the report.

### ***Equality Analysis***

20. In preparing this report, due consideration has been given to the District Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010. It is considered that the report has no relevance to South Cambridgeshire District Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relation. An equality analysis is not needed.

## **Background Papers**

Where the Local Authorities (Executive Arrangements) (Meetings and Access to Information England) Regulations 2012 require documents to be open to inspection by members of the Public, they must be available for inspection:

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) In the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

**REPORT AUTHOR:** Peter Maddock – Head of Finance  
*E-mail:* [peter.maddock@scambs.gov.uk](mailto:peter.maddock@scambs.gov.uk)

21 July 2021

*By email*

Ms Watts  
Chief Executive  
South Cambridgeshire District Council

Dear Ms Watts

## **Annual Review letter 2021**

I write to you with our annual summary of statistics on the decisions made by the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2021. At the end of a challenging year, we maintain that good public administration is more important than ever and I hope this feedback provides you with both the opportunity to reflect on your Council's performance and plan for the future.

You will be aware that, at the end of March 2020 we took the unprecedented step of temporarily stopping our casework, in the wider public interest, to allow authorities to concentrate efforts on vital frontline services during the first wave of the Covid-19 outbreak. We restarted casework in late June 2020, after a three month pause.

We listened to your feedback and decided it was unnecessary to pause our casework again during further waves of the pandemic. Instead, we have encouraged authorities to talk to us on an individual basis about difficulties responding to any stage of an investigation, including implementing our recommendations. We continue this approach and urge you to maintain clear communication with us.

## **Complaint statistics**

This year, we continue to focus on the outcomes of complaints and what can be learned from them. We want to provide you with the most insightful information we can and have focused statistics on three key areas:

**Complaints upheld** - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated.

**Compliance with recommendations** - We recommend ways for authorities to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

**Satisfactory remedy provided by the authority** - In these cases, the authority upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit authorities that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your authority with similar types of authorities to work out an average level of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data will be uploaded to our interactive map, [Your council's performance](#), along with a copy of this letter on 28 July 2021. This useful tool places all our data and information about councils in one place. You can find the decisions we have made about your Council, public reports we have issued, and the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

I would encourage you to share the resource with colleagues and elected members; the information can provide valuable insights into service areas, early warning signs of problems and is a key source of information for governance, audit, risk and scrutiny functions.

As you would expect, data has been impacted by the pause to casework in the first quarter of the year. This should be considered when making comparisons with previous year's data.

### **Supporting complaint and service improvement**

I am increasingly concerned about the evidence I see of the erosion of effective complaint functions in local authorities. While no doubt the result of considerable and prolonged budget and demand pressures, the Covid-19 pandemic appears to have amplified the problems and my concerns. With much greater frequency, we find poor local complaint handling practices when investigating substantive service issues and see evidence of reductions in the overall capacity, status and visibility of local redress systems.

With this context in mind, we are developing a new programme of work that will utilise complaints to drive improvements in both local complaint systems and services. We want to use the rich evidence of our casework to better identify authorities that need support to improve their complaint handling and target specific support to them. We are at the start of this ambitious work and there will be opportunities for local authorities to shape it over the coming months and years.

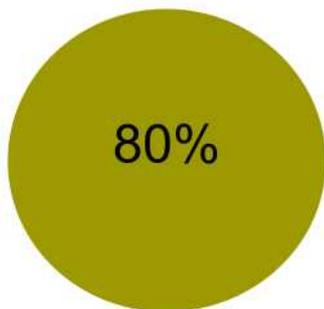
An already established tool we have for supporting improvements in local complaint handling is our successful training programme. During the year, we successfully adapted our face-to-face courses for online delivery. We provided 79 online workshops during the year, reaching more than 1,100 people. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

Yours sincerely,



Michael King  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

### Complaints upheld



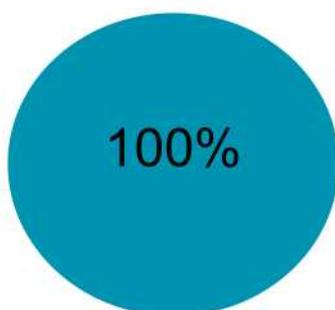
**80%** of complaints we investigated were upheld.

This compares to an average of **53%** in similar authorities.

**4**  
upheld decisions

Statistics are based on a total of 5 detailed investigations for the period between 1 April 2020 to 31 March 2021

### Compliance with Ombudsman recommendations



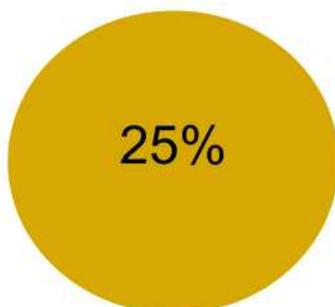
In **100%** of cases we were satisfied the authority had successfully implemented our recommendations.

This compares to an average of **100%** in similar authorities.

Statistics are based on a total of 3 compliance outcomes for the period between 1 April 2020 to 31 March 2021

- Failure to comply with our recommendations is rare. An authority with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

### Satisfactory remedy provided by the authority



In **25%** of upheld cases we found the authority had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **16%** in similar authorities.

**1**  
satisfactory remedy decision

Statistics are based on a total of 5 detailed investigations for the period between 1 April 2020 to 31 March 2021

**NOTE:** To allow authorities to respond to the Covid-19 pandemic, we did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints we received and decided in the 20-21 year. Please consider this when comparing data from previous years.

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Reference	Authority	Category	Received
20011099	South Cambridgeshire District Council	Benefits & Tax	25 Jan 2021
19017590	South Cambridgeshire District Council	Planning & Development	13 Jul 2020
20003484	South Cambridgeshire District Council	Planning & Development	11 Sep 2020
20003836	South Cambridgeshire District Council	Housing	24 Aug 2020
20004039	South Cambridgeshire District Council	Planning & Development	27 Aug 2020
20004722	South Cambridgeshire District Council	Planning & Development	09 Sep 2020
20005655	South Cambridgeshire District Council	Planning & Development	30 Sep 2020
20007109	South Cambridgeshire District Council	Benefits & Tax	28 Oct 2020
20008305	South Cambridgeshire District Council	Housing	20 Nov 2020
20010638	South Cambridgeshire District Council	Planning & Development	14 Jan 2021
20011823	South Cambridgeshire District Council	Housing	08 Feb 2021
20011946	South Cambridgeshire District Council	Planning & Development	19 Feb 2021
20014175	South Cambridgeshire District Council	Planning & Development	24 Mar 2021
20014344	South Cambridgeshire District Council	Planning & Development	29 Mar 2021

Reference	Authority	Category	Decided	Decision	Decision Reason	Remedy	Service improvement recommendations
1801442	South Cambridgeshire District Council	Planning & Development	11 Nov 2020	Upheld	mal & inj	Apology,Financial redress: Avoidable distress/time and trouble,Provide services	
19002119	South Cambridgeshire District Council	Environmental Services & Public Protection & Regulation	12 Jan 2021	Upheld	mal & inj	Financial redress: Avoidable distress/time and trouble,Provide services,Procedure or policy change/review	The Council has agreed to review the way it deals with complaints to ensure responses are provided in a timely manner. The Council has agreed to put procedures in place to ensure requests for Tree Preservation Orders are determined within a reasonable timeframe.
20011099	South Cambridgeshire District Council	Benefits & Tax	18 Feb 2021	Referred back for local resolution	Premature Decision - advised		
19012458	South Cambridgeshire District Council	Planning & Development	29 Oct 2020	Upheld	mal & inj	Apology,Financial redress: Avoidable distress/time and trouble,Procedure or policy change/review	Review its procedures to ensure the Council takes account of a person's vulnerability and disabilities and the requirements of the Equality Act 2010 when investigating possible breaches of planning enforcement and when deciding if to take enforcement action.
19016999	South Cambridgeshire District Council	Environmental Services & Public Protection & Regulation	07 Aug 2020	Not Upheld	no mal		
19017590	South Cambridgeshire District Council	Planning & Development	04 Aug 2020	Upheld	Injustice remedied during BinJ complaint processes		
19019422	South Cambridgeshire District Council	Environmental Services & Public Protection & Regulation	16 Apr 2020	Closed after initial enquiries	Not warranted by alleged injustice		
20003484	South Cambridgeshire District Council	Planning & Development	27 Oct 2020	Closed after initial enquiries	Other reason not to investigate		
20003836	South Cambridgeshire District Council	Housing	24 Aug 2020	Advice given	Signpost - go to complaint handling		
20004039	South Cambridgeshire District Council	Planning & Development	27 Aug 2020	Incomplete/Invalid	Insufficient information to proceed and PA advised		
20004722	South Cambridgeshire District Council	Planning & Development	09 Sep 2020	Referred back for local resolution	Premature Decision - advice given		
20005655	South Cambridgeshire District Council	Planning & Development	11 Nov 2020	Closed after initial enquiries	Not warranted by alleged mal/service failure		
20007109	South Cambridgeshire District Council	Benefits & Tax	08 Dec 2020	Closed after initial enquiries	No worthwhile outcome achievable by investigation		
20008305	South Cambridgeshire District Council	Housing	20 Nov 2020	Referred back for local resolution	Premature Decision - advice given		
20010638	South Cambridgeshire District Council	Planning & Development	14 Jan 2021	Incomplete/Invalid	Insufficient information to proceed and PA advised		
20011823	South Cambridgeshire District Council	Housing	08 Feb 2021	Referred back for local resolution	Premature Decision - advice given		
20011946	South Cambridgeshire District Council	Planning & Development	19 Feb 2021	Referred back for local resolution	Premature Decision - advice given		

Reference	Authority	Category	Decided	Remedy	Remedy Target Date	Remedy Achieved Date	Satisfaction with Compliance
18014442	South Cambridgeshire District Council	Planning & Development	11-Nov-20	ApologyFinancial redress: Avoidable distress/time and troubleProvide services	14-Dec-20	01-Feb-21	Remedy complete and satisfied
19002119	South Cambridgeshire District Council	Environmental Services & Public Protection & Regulation	12-Jan-21	Financial redress: Avoidable distress/time and troubleProvide servicesProcedure or policy change/review	09-Mar-21	15-Mar-21	Remedy complete and satisfied
19012458	South Cambridgeshire District Council	Planning & Development	29-Oct-20	ApologyFinancial redress: Avoidable distress/time and troubleProcedure or policy change/review	29-Jan-21	26-Mar-21	Remedy completed late

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