

## **South Cambridgeshire District Council**

Minutes of a meeting of the Audit and Corporate Governance Committee held on  
Tuesday, 23 January 2024 at 10.00 a.m.

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

**Councillors:** Geoff Harvey Mark Howell  
Richard Stobart Heather Williams

**Officers:** Patrick Adams Senior Democratic Services Officer  
Peter Maddock Head of Finance

**Auditors:** Andrew Cardoza KPMG  
Jonathan Tully Head of Shared Internal Audit

Councillor Helene Leeming was in attendance remotely.

### **1. Apologies for Absence**

Apologies for Absence were received from Councillor Helene Leeming, who attended the meeting online.

### **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 Registerable Interest as a non-remunerated director of South Cambs Ltd trading as Ermine Street Housing.

Councillor Richard Stobart declared an Other Registerable 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 28 November 2023 were agreed as a correct record.

### **4. Public Questions**

None.

### **5. Annual Governance Statement and Local Code of Governance**

The Head of Internal Audit presented this report on the draft Annual Governance Statement for 2021/22. It was noted that this needed to be agreed before the Statement of Accounts.

It was understood that the External Auditors still needed to review the Annual Governance Statement.

Members of the Committee made the following points:

- Including track changes in the Local Code of Corporate Governance document was welcomed, as it highlighted the amendments.
- Paragraph 23 should be amended to include a definition of the words “code” and “coding”.
- There were additional ways of engagement not listed under point 6 of the Local Code of Corporate Governance.
- The significance of the Medium Term Financial Strategy should be made more explicit.

The Head of Internal Audit assured the Committee that the Council’s internal auditors would continue to evaluate the authority’s services with regards to value for money and would keep the Committee fully apprised and updated on its work.

The Committee **agreed** to approve the Annual Statement of Accounts 2021/22.

## **6. Approval of the draft accounts for 2021/22 and arrangements for the completion of accounts and audit for outstanding years**

The Head of Finance introduced this report, which presented the draft accounts for 2021/22 for approval. It was noted that it was unclear if the 2021/22 and 2022/23 accounts would be subject to a full audit. More guidance from the Government on this matter was required.

### **Minor amendments**

The number of years mentioned in paragraph 5 of the report was amended to 4 years. It was noted that the last sentence of the paragraph under the heading “Summary of Financial Performance” on page 48 should read “... Statement of Accounts.” On page 142 an apostrophe needed to be added to the word “Councils” in the row in the table for the Civic Affairs Committee.

Councillor Heather Williams made the following points:

- The Greater Cambridge Shared Planning variance of £1,417,000 required an explanation.
- The notes to the Statement of Accounts should not use abbreviations.
- The difference between councillors’ mileage claims in 2021 and 2022 should be explained.
- The gap between £89,999 and £105,000 in the remuneration bands on page 103 needed to be explained.

### **Work of external auditors**

The Head of Finance explained that no external audit work from EY was currently scheduled, as they were waiting for guidance from the Government on how the 2021/22 and 2022/23 accounts should be audited. The Council was meeting with representatives from EY on 30 January to discuss this matter further. It was understood that EY wanted to complete the audit of the 2021/22 accounts but were unlikely to open a new audit whilst Government guidance was expected.

Andrew Cardoza of KPMG reported that his team had issued questions to officers

regarding the 2023/24 accounts and were hoping to start work in March but opening balances were required from the 2022/23 accounts.

Councillor Heather Williams suggested that EY were contractually obliged to audit the Council's accounts.

Councillor Helene Leeming expressed concern that the 2021/22 and 2022/23 accounts were not being audited and she asked how the figures for the Council's assets and liabilities were being verified. The Head of Finance explained that these figures were being checked in the normal way and would be subject to some form of external audit. He informed the Committee that KPMG had assured the Council that they will do a full audit on the 2023/24 accounts.

### **Timeline**

The Head of Finance agreed to produce a timeline for the auditing of the 2021/22, 2022/23, 2023/24 and 2024/25 accounts. He explained that additional resources would be required for officers to support a full audit of the 2021/22 and 2022/23 accounts by September.

### **General Fund**

The Head of Finance explained that any increase in the value of assets would only affect the General Fund when the assets were sold. It was noted that page 49 of the agenda provided a narrative statement on the General Fund.

### **Covid-19 pandemic**

The Head of Finance reported that page 51 of the agenda had three paragraphs on the effect of the Covid-19 pandemic and its aftermath.

### **Exit package cost**

It was noted that the table on page 104 needed to be amended as there had been one exit package in the £80,001 to £100,000 cost band but the total cost in the table was zero. The Head of Finance agreed to contact HR regarding this and relay the reply to the Committee.

A vote was taken and the Committee unanimously

**Agreed** to approve the draft accounts for 2021/22 reproduced at Appendix A.

The Committee

**Noted** that

- A)** The 2021/22 and 2022/23 accounts are unlikely to be subject to a full audit as the proposed deadline for the two outstanding years is likely to be 30th September 2024.
- B)** The change of auditor for 2023/24 and the following 4 years to KPMG and that additional work is likely to be needed by them to get sufficient assurance for that year.

## **7. Matters of Topical Interest**

It was noted that there would be a report on the Council's use of the Regulation of Investigatory Powers Act (RIPA) at the next meeting on 19 March at 10 am. It was

understood that the Council had not yet made use of the Act this municipal year.

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**The Meeting ended at 11.00 a.m.**

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