

## **SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

Minutes of a meeting of the Corporate Governance Committee held on  
Friday, 24 September 2010 at 2.00 p.m.

PRESENT:	Councillor Peter Topping – Chairman	
Councillors:	Douglas de Lacey David McCraith	Mervyn Loynes John G Williams
Officers:	Patrick Adams Alex Colyer Adrian Burns Paul Howes  Sally Smart	Senior Democratic Services Officer Executive Director, Corporate Services Head of Accountancy Corporate Manager, Community and Customer Services Principal Accountant Financial & Systems
External:	Neil Gibson Debbie Hanson Chris Harris Suzanne Lane	Audit Commission Audit Commission RSM Tenon RSM Tenon

Councillors Nick Wright and Sue Ellington were in attendance, by invitation.

Jean Hunter, the Council's Chief Executive from 27 September 2010, was also in attendance.

Apologies for absence were received from Councillor John Batchelor.

### **15. DECLARATIONS OF INTEREST**

None.

### **16. MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 29 June 2010 were agreed as a correct record.

#### **Underspend**

The Head of Accountancy explained that the £133,000 underspend in the Capital grants identified at the previous meeting referred to an "in and out" transfer of money and it made no difference to the "bottom line".

#### **Economic development logo**

The Committee welcomed that the logo discussed at the previous meeting had been produced in-house.

### **17. INTERNAL AUDIT QUARTERLY REPORT**

Chris Harris presented this report on the outcome of the work completed so far against the internal audit plan for 2010/11 which was approved by the Committee at its meeting on 31 March 2010.

#### **Health and Safety – Tenant Electrical Safety Programme**

It was noted that managers had concerns about the recording of information relating to this Programme and so had requested the report carried out by the internal auditors. The fact that a red assurance level was given was not unexpected and managers would be

looking to implement an action plan to address the auditor's recommendations.

#### **ICT Review**

It was hoped that the Committee would be in a position to consider the results of the ICT Review, which would commence on 15 November, at its next meeting.

The Committee **NOTED** the report.

### **18. EXTERNAL AUDIT: ANNUAL GOVERNANCE REPORT**

Debbie Hanson presented the Annual Governance Report for 2009/10 and explained that the audit was substantially complete and that she expected to issue an unqualified opinion.

#### **Improvements in reporting to external audit**

Debbie Hanson reported that officers had introduced revised control procedures during 2009/10 and significant improvements have been made to the fixed asset register. She thanked officers for achieving this in such a tight timescale and for the marked improvement in the speed and quality of responses to audit queries.

#### **Errors in financial statements**

Debbie Hanson reported that there had been two material errors in the financial statements, but these made no difference to "the bottom line."

It was noted that the figures shown in appendix 2 on page 23 needed the decimal points removed.

#### **Travel to work**

The Planning Portfolio Holder explained that the aim of a sustainable travel to work plan had become more challenging following the moving of the Council's main offices from Cambridge to Cambourne. It was noted that at least nine staff had signed up to the Council's cycle scheme and that bike sheds were provided by the Council, along with shower and change facilities. In addition those who car shared were offered closer parking spaces and the possibility of taking a taxi home if it proved impossible to car share on the return journey. It was suggested that more people would take the bus into work if the X5 service stopped in Cambourne.

#### **Value for money**

It was suggested that more audit time could be spent on assessing to what extent the Council offered value for money. The Committee **AGREED** to receive a report on value for money at its next meeting.

#### **Future of Audit Commission**

Debbie Hanson explained that the Audit Commission would continue to audit councils for 2011/12 and so local authorities would be required to appoint their own auditors for 2012/13.

#### **Representation letter**

The Committee **agreed** to give delegated authority to the Chairman and the Section 151 Officer to determine the exact wording of the representation letter in response to the Annual Governance Statement, as this could not wait until the next meeting.

On behalf of the Committee the Chairman thanked Debbie Hanson for the work she had done and the officers for the improved performance.

The Committee **NOTED** the report.

## 19. CORPORATE GOVERNANCE COMMITTEE TRAINING

The Executive Director – Corporate Services presented this report which asked the Committee to decide what training its members required.

### **Risk management**

It was understood that Zurich, the Council's insurers, would provide Councillors with training on risk management free of charge.

### **Internal audit**

Chris Harris offered to provide members of the Committee with training at no extra cost to the authority, as this was a service that RSM Tenon had offered to other local councils. Chris Harris stated that on the whole the Committee provided an effective scrutiny of the Council's policies, although training could assist Members in providing a more effective challenge.

### **Other training areas**

Member of the Committee suggested that following training areas:

- Risk management
- Achieving efficiencies
- Guidance on best practice
- Partnership working
- Visits to other authorities

### **Training as part of the Committee meeting**

It was suggested that a training course should be held as part of the Committee meeting, as it would be easier for members to attend and this had been successful in the past. It was noted that this restricted the length of the training session to about an hour.

The Committee

**AGREED** that

- (A) A training session should be held at the next meeting of the Committee and that substitutes as well as Committee members should be invited to attend.
- (B) The form of the training be determined by officers and Internal Audit.

## 20. EXTERNAL AUDIT PERFORMANCE QUESTIONNAIRE

The Executive Director for Corporate Services presented this item which was a formal response to the request made by the Portfolio Holder responsible for Improvement to examine ways in which the work of external audit could be formally assessed.

### **Who to consult**

After a brief discussion it was agreed not to send a questionnaire on external audits to all Councillors, as it was feared that there would be a low response rate from Councillors who were not on the Committee or the Cabinet.

It was **agreed** that officers should consider alternative ways of assessing the effectiveness of the External Auditors. One suggestion was to hire a facilitator to speak to the Committee to ensure the validity of External Audit's assessments.

**21. TREASURY MANAGEMENT 2009/10**

The Head of Accountancy presented this report on the performance of the treasury management function.

**Fifth highest performance**

The Head of Accountancy explained that the Council's performance was fifth highest out of the 14 other councils in the comparator group and 23<sup>rd</sup> out of an overall group of 137 other organisations. It was noted that the Council achieved this performance without hiring external fund managers.

It was noted that Councils in the comparator group did share information on investments in particular and treasury management in general.

**Risk management**

The Head of Accountancy highlighted the various risks in treasury management and explained that to strive to achieve greater returns would mean an increase in the risks. It was noted that the Council had decided to remove investments from smaller Building Societies in order to minimise risk.

The Committee congratulated officers on the excellent performance on Treasury Management in 2009/10 and **NOTED** the report.

**22. STRATEGIC RISK REGISTER: QUARTERLY REVIEW**

The Chairman presented this item which detailed the Northstowe Portfolio Holder's latest quarterly review of the Council's Strategic Risk Register.

**Traveller encampments**

The Executive Director for Corporate Services explained that an item on Traveller encampments would be considered at the New Communities' Portfolio Holder meeting on 7 October 2010.

**Medium Term Financial Strategy (MTFS)**

Whilst it was noted that the MTFS had not been written in time to allow a full discussion by the Scrutiny and Overview Committee, it was understood that it had been produced a month earlier than usual.

It was noted that this quarterly review was for the first quarter of 2010/11: April to June 2010. More recent events would be covered in the review of the next quarter.

The Committee **NOTED** the report.

**23. MATTERS OF TOPICAL INTEREST**

It was agreed that possible changes to the Council's financial regulations needed to be communicated to Councillors in time for a proper discussion.

**24. DATE OF NEXT MEETING**

The Clerk was instructed to arrange the next meeting date for early-to-mid January.

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**The Meeting ended at 3.55 p.m.**

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