

## **SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

Minutes of a meeting of the Corporate Governance Committee held on  
Friday, 27 September 2013 at 9.30 a.m.

PRESENT:	Councillor Francis Burkitt – Chairman Councillor David McCraith – Vice-Chairman	
Councillors:	Andrew Fraser Bridget Smith John Williams	Douglas de Lacey Peter Topping
Officers:	Alex Colyer Steve Crabtree John Garnham Fiona McMillan  Ian Senior Sally Smart	Executive Director, Corporate Services Internal Audit Manager Head of Finance, Policy & Performance Legal & Democratic Services Manager and Monitoring Officer Democratic Services Officer Principal Accountant Financial & Systems
External:	Rachel Brittain Mark Hodgson	Ernst & Young Ernst & Young

Apologies for absence were received from Councillor Richard Barrett.

### **11. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **12. MINUTES OF PREVIOUS MEETING**

The Corporate Governance Committee authorised the Chairman to sign, as a correct record, the Minutes of the meeting held on 28 June 2013.

### **13. INTERNAL AUDIT PROGRESS REPORT**

The Committee received and noted the Internal Audit Progress Report for 2013-14, as at 31 August 2013.

Members welcomed Steve Crabtree as Internal Audit Manager following the transition from RSM Tenon to a Shared Service with Peterborough City Council. The Committee noted a change in the way Audit Assurances would now be reported, replacing the “traffic light” system used formerly with an assurance assessment of Full / Significant / Low.

Councillor John Williams suggested that the Asset Management Plan, including the disposal and acquisition of property, should be included in the Internal Audit Plan for 2015/16.

It was reported that Magen Powell had been appointed by South Cambridgeshire District Council as its Internal Auditor. She would become an employee of the Council in October 2013, and be present at the Committee’s next meeting in November.

### **14. EXTERNAL AUDIT'S ANNUAL REPORT FOR 2012/13**

The Committee received and noted the External Audit Results Report for the year ended

31 March 2013.

Councillor John Williams sought to clarify the methodology for calculating the level of fees payable by South Cambridgeshire District Council. The Executive Director (Corporate Services) summarised the remit of both the Council and Audit Commission, which had set the fee. The transition to Ernst and Young had resulted in a lower fee being payable.

Those present discussed a number of issues related to the report, and noted its positive conclusions. Members expressed their gratitude to officers, especially to the Principal Accountant (Financial and Systems).

## 15. APPROVAL OF THE 2012/13 STATEMENT OF ACCOUNTS

The Corporate Governance Committee considered a report on the amended 2012-13 Statement of Accounts and the letter of representation.

The Corporate Governance Committee **approved** the 2012-13 Statement of Accounts and endorsed the letter of representation.

## 16. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) REVIEW OF POLICY AND USE OF ACT

The Corporate Governance Committee considered a report updating it about the use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA) during the previous three months, highlighting the use of RIPA powers during the previous year and, as part of an annual review of the Council's policy, recommending a minor amendment to the Appendix of Authorising Officers.

Councillor Peter Topping welcomed the fact that South Cambridgeshire District Council was using RIPA powers in a planned and disciplined manner.

The Corporate Governance Committee:

- (a) **confirmed** deletion of the Head of Finance (Deputy Section 151 officer) from the Appendix to the Council's RIPA policy so that said Appendix now states as follows:

"Appendix 1

List of Authorising Officers and Authorising Levels

- Jean Hunter Chief Executive
- Alex Colyer Executive Director (Corporate Services)
- Mike Hill Director (Health and Environmental Services)
- Senior Responsible Officer Alex Colyer (Executive Director – Corporate Services)
- RIPA Monitoring Officer Fiona McMillan Legal & Democratic Services Manager"

- (b) **noted** the information contained in the report about the council's use of surveillance powers in the period July to September 2013 and the annual summary of RIPA usage.

## 17. TREASURY MANAGEMENT ANNUAL REPORT 2012/13

The Corporate Governance Committee received and noted a report on performance of the Treasury Management function which, in 2012-13, had placed South Cambridgeshire District Council second in the comparator group of 11 other organisations and fifth highest in the overall group of 69 other organisations.

The report:

- Reassured Members;
- Highlighted the nature and location of the Council's investments and borrowing; and
- Set out prudential indicators.

The Chairman welcomed the report and said that the Council's excellent financial standing owed much to officers' ability to forecast accurately what the best investment opportunities were. The Principal Accountant (Financial and Systems) also highlighted the importance of recognising the security of each deposit made by the Council.

In response to a query about the Housing Revenue Account, the Executive Director (Corporate Services) said that the Council's strategy was to invest in new stock rather than to repay debt. Internal borrowing would be used to support the General Fund's capital funding requirements.

In response to a query about Council funding for A14 improvements, the Executive Director (Corporate Services) said that the Council was seeking to use money from the New Homes Bonus. And while no final decision had yet been made, it was likely that any balance would be directed towards the City Deal. Councillor John Williams was keen to make sure that there was no danger of any "double accounting".

In response to a query about the repayment of internal borrowing, the Executive Director (Corporate Services) said that individual Service areas bore the initial costs and repaid them over a number of years. By way of example, he cited the Blue Bin recycling scheme.

## 18. LOCAL GOVERNMENT OMBUDSMAN ANNUAL REVIEW LETTER 2013

The Corporate Governance Committee noted the Local Government Ombudsman's Annual Review letter dated 16 July 2013.

## 19. MATTERS OF TOPICAL INTEREST

### Local Government Pension Scheme

Prior to the Corporate Governance Committee meeting, Members had received from Stephen Dainty (Cambridgeshire County Council) a presentation about the staff pension fund. The Cambridgeshire Local Government Pension Scheme, administered by Cambridgeshire County Council and governed by a Pensions Committee, comprised the County Council, six District Councils, Fire, Police and Probation services, more than 40 sixth-form colleges, academies and schools, more than 40 town and parish councils and internal drainage boards, and over 60 charities and other similar bodies. The pension fund was very important to South Cambridgeshire District Council (SCDC) because:

- Over 1,000 of its current and former Officers depended on the pension fund.
- It had nearly 400 'contributors' (employees, for whom the Council paid into the fund), over 300 'deferreds' (former employees, but not yet retired) and over 400 'pensioners' (former employees, now retired).

- In 2011-12, it had paid 21.7 of the salaries of its current employees into the fund, which, therefore, was a significant financial and social commitment for SCDC.

An Investment Sub-Committee was responsible for the investment strategy. The Fund's financial performance had improved significantly since it had become a shared service with Northamptonshire. The Committee authorised the Chairman to write to Cambridgeshire County Council expressing concern at the absence from the Pensions Committee of any Pensions professionals. It was agreed that the status of the pension fund, and the Committee's concerns, would be brought before Full Council, in a manner to be determined by the Committee Chairman, the Council Chairman and the Executive Director (Corporate Services).

**How did we do?**

The Chairman congratulated officers for their prudent management.

**Internal Audit Review of Governance**

The Chairman asked that copies be sent to each member of the Committee.

**Monitoring of outsourced services**

The Executive Director (Corporate Services) said this was a function of the Scrutiny and Overview Committee.

**Acquisition and Disposal of property**

A revised process had been agreed at Full Council, and this must be added to the Internal Audit list for 2014-15.

**20. DATE OF NEXT MEETING**

The next Corporate Governance Committee meeting had been scheduled for Thursday 28 November 2013, starting at 10.00am.

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**The Meeting ended at 10.50 a.m.**

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