

## South Cambridgeshire District Council

Minutes of a meeting of the Audit and Corporate Governance Committee held on  
Thursday, 29 July 2021 at 10.00 a.m.

PRESENT: Councillor Tony Mason – Chair  
Councillor Nick Sample – Vice-Chair

Councillors: Geoff Harvey  
Steve Hunt  
Heather Williams

Mark Howell  
Fiona Whelan

Officers: Patrick Adams  
Peter Maddock  
Rory McKenna  
Jeff Membery  
Tara Nutbeam-King

Senior Democratic Services Officer  
Head of Finance  
Monitoring Officer  
Head of Transformation  
Corporate Fraud Manager

Auditors: Suresh Patel  
Mark Russell  
Jonathan Tully

Ernst & Young  
Ernst & Young  
Head of Shared Internal Audit

Councillor John Williams was in attendance, by invitation.

### 1. Apologies for Absence

Apologies for Absence were received from Councillor Jose Hales. Councillor Steve Hunt was present as Councillor Hales' substitute.

### 2. Declarations of Interest

None.

### 3. Minutes of Previous Meeting

The minutes of the meeting held on 23 March 2021 were agreed as a correct record.

Councillor Tony Mason, Chair of the Committee, explained that he had read Mr Daniel Fulton's e-mail requesting to speak this morning and had replied to say that he was deferring this matter to the next meeting. He would accept Mr Fulton's public question at the next meeting, providing that it was received seven days before the meeting and that it was relevant and appropriate.

### 4. Internal Audit Plan and Opinion

The Head of Shared Internal Audit, presented this report which included both the proposed Internal Audit Annual Plan and Strategy for the next six months and a progress update of the work carried out in the previous six months.

#### Delivery

The Head of Shared Internal Audit explained how the team had continued to deliver audits

during the Covid-19 pandemic which had reduced the number of reviews completed in the last six months.

#### **Progress update**

The Head of Shared Internal Audit explained that the two limited assurance reviews had been in Planning and had been discussed by the Scrutiny and Overview Committee. In response to questioning, the Head of Shared Internal Audit agreed that the follow-up was prioritised in the plan, and was expected to be reported to the Scrutiny and Overview Committee.

#### **Fixed Asset Register**

The Head of Shared Internal Audit reported that an audit of the Fixed Asset Register was planned in the next 12 months, but on the request of the Chair he agreed that this could be brought forward. He would discuss the approach with the Chief Finance Officer.

#### **Resources for Internal Audit**

In response to questioning, the Head of Shared Internal Audit stated that there were appropriate resources available for the Council's current internal audit function plan.

#### **National Fraud Initiative and benchmarking**

Councillor Mark Howell enquired if the Council compares its performance with those of other similar sized authorities. The Head of Shared Internal Audit replied that Shared Internal Audit had comparable data from its two local authorities and experience of other Councils. He concluded that the results and the data was consistent.

#### **Impact of Covid-19**

The Head of Shared Internal Audit reported that the shared audit service had responded well to the challenges created by the Covid-19 pandemic. Any audits which required a physical presence would be affected, however the team was already experienced at delivering work remotely.

The Committee **Approved** the draft Audit Plan and Strategy and the supporting Charter and Code of Ethics.

### **5. External Audit - 2018/19 Accounts (Report to follow)**

Suresh Patel reported that whilst External Audit had completed a substantial part of the audit for the 2018/19 accounts, the Council had not yet resolved issues regarding the fixed asset register and the disclosures of property, plant and equipment. Unfortunately it was unlikely that External Audit would be able to complete their work on the accounts until October. He acknowledged that the 2018/19 accounts had been better prepared than the 2017/18 accounts.

#### **External audit fees**

Suresh Patel confirmed that the Auditor's fees would inevitably be higher than estimated, due to the extra work involved.

The Committee thanked Suresh Patel for his work as the Council's External Auditor and wished him well for the future. The Committee **Noted** the report.

### **6. Audit of 2018/19 Accounts (Report to Follow)**

The Chief Finance Officer presented this report which confirmed that whilst there were issues with the fixed asset register these were close to being resolved. A number of

assets needed to be removed from the register and the Chief Finance Officer believed that the amendments would not have a significant impact on the accounts.

#### **Additional resources**

The Chief Finance Officer stated that an additional officer was required to work on the fixed asset register. He added that extra resources were required to assist with the budget and finance monitoring, whilst work on the accounts was ongoing.

Councillor Heather Williams reported that the Committee had been expressing similar concerns about the fixed asset register going back to September 2018. She agreed that extra resources were needed but asked if there were sufficient funds in the budget and whether the number of staff in Finance had changed since 2019. The Chair requested that at the next meeting, the following facts be provided:

- The number of Full Time Equivalents in the Finance Team.
- The structure of the Finance Team.
- An Action Plan to deliver the resources required.

Councillor John Williams, Lead Finance Member for Cabinet, confirmed that the necessary funds would be found to recruit the staff required. Members of the Committee suggested that the further recruitment of apprentices in Finance should be considered.

The Chief Finance Officer explained that the Chief Accountant had experience of preparing accounts for audit and would lead on this work for the 2019/20 accounts. He agreed to bring a report to the next meeting of the Committee.

The Committee thanked the Chief Finance Officer and **Noted** the report.

## **7. Annual Fraud Report**

The Corporate Fraud Manager and Chief Finance Officer presented this Annual Fraud report, which detailed the counter fraud activity undertaken by the Fraud Investigation Services in 2020/21. It was noted that the Corporate Fraud Team had been set up in January 2020. Unfortunately the Covid-19 virus had made it difficult to carry out investigations. Nationally the amount of fraud had increased due to the pandemic.

The Chair requested that every meeting the Committee receive a report on the latest enquiries into fraud and attempted fraud. The Chief Finance Officer agreed to this request.

The Committee **Recommended** that Cabinet agree the Annual Fraud report.

## **8. Matters of Topical Interest**

#### **Ombudsman's report**

The Head of Transformation reported that the Ombudsman had fully investigated five complaints and four of these had been upheld. Two of these complaints related to planning, one to enforcement and one regarding a Tree Preservation Order. Financial compensation had been awarded, totalling less than £2,000. Processes had been put in place to prevent any repetition. The Committee welcomed the low number of complaints and noted the report.

#### **Regulation of Investigatory Powers Act (RIPA)**

The Monitoring Officer reported that there been no investigations under the RIPA regulations during the last quarter.

**9. Date of Next Meeting**

28 September 2021 at 10 am.

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**The Meeting ended at 11.35 a.m.**

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