

South Cambridgeshire District Council

Minutes of a meeting of the Audit and Corporate Governance Committee held on
Tuesday, 19 March 2024 at 10.00 a.m.

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

Councillors: Helene Leeming Richard Stobart
Heather Williams

Officers: Patrick Adams Senior Democratic Services Officer
Philip Bird Corporate Programme Manager
Peter Maddock Head of Finance
John Murphy Monitoring Officer

Auditors: Jonathan Tully Head of Shared Internal Audit

1. Apologies for Absence

Apologies for Absence were received from Councillors Graham Cone and Geoff Harvey.

It was noted that Councillor Graham Cone had replaced Councillor Mark Howell on the Committee. The Chair thanked Councillor Howell for his long years of service on the Audit and Corporate Governance Committee.

2. Declarations of Interest

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 Heather Williams declared an Other Registerable Interest as a member of the Greater Cambridge Partnership Joint Assembly.

3. Minutes of Previous Meeting

The minutes of the meeting held on 23 January 2024 were agreed as a correct record.

4. Public Questions

There were no public questions.

5. 2022/23 Accounts Progress, 2023/24 accounts and future audits

The Head of Finance presented this report, which stated that the 2022/23 draft

accounts were expected to be ready by the end of March and the Committee would be asked to approve them at an additional meeting in May.

It was noted that legislation was anticipated from the Government in June, to allow accounts from before 2023/24 to be signed off without a full audit. It was hoped that the legislation would provide guidance for auditors on how to word disclaimers on the affected audits.

The Head of Finance explained that in the expectation of the forthcoming Government legislation, EY would not be carrying out a full audit for the 2021/22 and 2022/23 accounts. Work would be progressing for the close down of the 2023/24 accounts and it was expected that the Council's new auditors KPMG would start work on these accounts in October 2024. The Head of Finance agreed to provide the Committee with a timeline for the auditing of the 2021/22, 2022/23 and 2023/24 accounts.

Councillor Heather Williams asserted that EY had provided inadequate resources for their work and this was partly responsible for delays in the signing off of accounts. She concluded that this information should be made public for organisations going out to tender for future contracts.

In response to questioning the Head of Finance explained that EY intended to bill the Council for the work that they had carried out. He expected a substantially reduced bill for their work on the 2021/22 and 2022/23 accounts. Discussions with EY on this issue were ongoing.

It was noted that EY's work on value for money for both the 2021/22 and 2022/23 accounts was expected to be received by July's Committee.

It was noted that work on the 2023/24 accounts would have to commence before the closing balances for the 2022/23 accounts were known. The Head of Internal Audit agreed to liaise with Peter Maddock on this matter and consider any risks.

The Head of Finance explained that whilst KPMG would be on site in November he expected that they would be carrying out preparatory work beforehand and he was confident that their work on 2023/24 accounts would be completed by the end of March 2025.

The Head of Finance explained that CIPFA were providing guidance on benchmarking valuation. He believed that KPMG would use an indexation style evaluation, which should take less time than previously. He was confident that there would not be any serious issues with the valuation of assets and pension valuation.

The Committee **noted** the report.

6. Governance Risk and Control Update

The Head of Internal Audit presented this report, which updated the Committee on topical news items and corporate governance matters.

Tackling fraud

The Head of Internal Audit explained that the Council had extracted data for the annual national fraud initiative, which had provided the assurance that the Council's data was reliable. This data had been used in the recent successful council tax anti-fraud initiative, which had resulted in the recovery of £477,000. He agreed to amend the report to remove reference to savings regarding money retrieved in relation to fraud, as the Council had a moral responsibility to recover this money and it should not be considered as a budgetary exercise.

Training

The Head of Internal Audit assured the Committee that work was being carried out with regard to the training of staff and their Continuing Professional Development. Committee members hoped that this could focus on those with professional qualifications.

The Head of Internal Audit agreed to provide the Committee with a timescale regarding its training programme on recognising the signs of modern slavery and the involvement of the Police in this initiative. It was agreed that the training should be offered to councillors as well as officers. It was noted that modern slavery had been added to the Risk Register.

Data checking

The Head of Internal Audit reported that the Council used specialist software to check the accuracy of its data and for the identification of patterns and trends. He acknowledged that whilst national data analysis was useful it could result in false positives and that there was no substitute for local intelligence.

Independent Member

The Head of Internal Audit explained that the aim was to recruit an Independent Member to the Committee for the start of the next municipal year. It was agreed that the job advert should be shared with members of the Committee. It was hoped that the recruitment process would not be delayed due to the pre-election period or any other elections.

The Committee **noted** the report.

7. Six-Monthly Strategic Risk Report

The Corporate Programme Manager presented this report on the Council's current strategic risks, as displayed in the Strategic Risk Register. It was understood that the Committee reviewed the Register every six months. It was noted that date of December 2024 in the report should be corrected.

Councillor Heather Williams suggested that both the MRF waste contract should be included in the Risk Register, as Huntingdonshire District Council had budgeted a £900,000 increase for this and that an additional risk should be added regarding the four-day week, on the difficulties that would result if the Council decided to return to a five-day week. The Chair asked the Corporate Programme Manager to bring these two recommendations to the attention of the relevant risk owner.

Councillor Richard Stobart stated that the Risk Register should be a dynamic document and he asked what process existed for assessing the risk scores and removing risks from the Register. The Corporate Programme Manager explained that risks were reviewed regularly by the risk owners and Leadership Team. Risks could be mitigated which would reduce their score and could result in them being removed from the Register. It was noted that risks appeared in the Council's service plans.

Members of the Committee asked the following questions:

- With regards to risk SR11, Failure to effectively manage, control and utilise data and intelligence across the Council, what is data maturity self assessment?
- With regards to risk SR12, Failure to reduce emissions, how significant will the impact be on the Council with regards to the Asset Management Strategy and attempts to reduce the carbon cost of the Council owned homes.
- With regards to risk SR32, Increase in need for temporary accommodation, what work is being done to mitigate this significant risk.

The Corporate Programme Manager agreed to refer these questions to the appropriate risk owners.

The Committee **noted** the report.

8. Treasury Management Performance Report: Quarter Ending 31 December 2023

The Head of Finance presented this report, which outlined the performance against the Council's approved Treasury Management Strategy for the first nine months of 2023/24. It was noted that the level of borrowing had reduced.

In response to questioning, the Head of Finance explained that currently short term borrowing was cheaper than long term borrowing but this situation would be kept under review. The Council's cashflow projections had also supported short term borrowing.

The Head of Finance explained that the Council received advice from an External Treasurer Adviser who collected information from a variety of sources.

The Chair asked if short-term debt and investments and long-term debt and investments could be presented together, to assist the Committee with its analysis.

The Chair asked officers to ensure that when investing with other local authorities the financial status of those authorities was being taken into account. It was suggested that other authorities may have invested in HS2 and the Head of Finance agreed to check this.

It was hoped that the annual treasury management report would be taken to the next meeting of the Committee in May.

The Committee **noted** the report.

9. Regulation of Investigatory Powers Act 2000 (RIPA) Policy and Update on Use of RIPA

The Monitoring Officer presented this report, which recommended that the Committee approve the current Regulation of Investigatory Powers Act (RIPA) Policy and provided an update on the use of RIPA powers since the Committee last met. It was noted that no amendments had been made to the current policy and the RIPA powers had not been used since the last meeting of the Committee. It was noted that the date in paragraph 7 should be March 2023.

It was noted that in the past the RIPA powers had been used to gather evidence against fly-tipping.

The Monitoring Officer agreed to ensure that there was an ongoing training programme for officers for the possible use of RIPA. The Monitoring Officer agreed to check that the Chief Executive was the officer responsible for the RIPA process.

The Committee

Agreed to approve the Council's RIPA policy at Appendix A.

Noted that the Council had not used surveillance powers between December 2023 to February 2024.

10. Matters of Topical Interest

No matters of topical interest were raised.

11. Date of Next Meeting

It was noted that the next meeting of the Committee would be arranged for May 2024.

The Meeting ended at 11.30 a.m.
