

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Audit and Corporate Governance Committee held on Friday, 24 June 2016 at 9.30 a.m.

PRESENT: Councillor Nick Wright – Chairman

Councillors:	John Batchelor Roger Hall Ray Manning John Williams	Christopher Cross Douglas de Lacey Tony Orgee
Officers:	Patrick Adams Suzy Brandes Alex Colyer Caroline Ryba Sally Smart	Senior Democratic Services Officer Principal Accountant (General Fund & Projects) Executive Director, Corporate Services Head of Finance Principal Accountant Financial & Systems
External:	Steve Crabtree	Shared Head of Internal Audit

Councillor Philippa Hart was in attendance, by invitation.

1. APOLOGIES FOR ABSENCE

Councillors Simon Crocker and Andrew Fraser sent their apologies. Councillor Ray Manning was acting as substitute for Councillor Andrew Fraser.

2. DECLARATIONS OF INTEREST

None.

3. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 18 March 2016 were agreed as a correct record.

4. ANNUAL REPORT OF THE INTERNAL AUDIT SERVICE 2015/16

Steve Crabtree, Shared Head of Internal Audit, introduced this Annual Report of the Internal Audit Service for 2015/16 by stating that he was able to provide a reasonable assurance that the systems in place at the Council were appropriate and met with expectations.

Audit days

Steve Crabtree reported that Internal Audit had managed to deliver 250 audit days during 2015/16, which was more than forecast.

Core Financial Systems

Steve Crabtree explained that in general, controls were sufficient for Internal Audit to place reliance on them. Internal Audit would be reviewing the processes within the Debtors reminder stages as the systems upgrades prevented this at the time of the audit.

Corporate Fraud Arrangements

The Executive Director explained that following the transfer for anti-fraud staff to the Department for Work and Pensions the Council had set up a Corporate Fraud Project Working Group to review fraud prevention across the authority. The Committee would

receive a report on this at their next meeting.

Project Management and Recruitment and Selection

Steve Crabtree informed the Committee that the Council had good policies in place with regard to Project Management and Recruitment and Selection but these policies were not being applied consistently. The Executive Director reported that EMT had accepted the recommendations in these reports and had implemented measures to strengthen the application of the policies.

Steve Crabtree stated that all Internal Audit's recommendations were followed up.

The Audit and Corporate Governance Committee **NOTED** the report.

5. RISK MANAGEMENT STRATEGY

The Executive Director presented this report, which invited the Committee to carry out its annual review of the Council's Risk Management Strategy. He explained that Executive Management Team had discussed the Strategy and recommended it to the Committee.

The Executive Director introduced Suzy Brandes, Principal Accountant, who would oversee risk management following the retirement of John Garnham.

Amending the Risk Register

Councillor John Williams suggested that the Cabinet should have increased the risk score sooner for the increase in Bed and Breakfast numbers. The Executive Director explained that the Council had to adapt its Risk Register in a number of ways following the new proposals of the new Government.

Shared Services Risk Register

Councillor John Williams suggested that the local authorities involved in the Shared Services arrangements should all have the same risk register. The Executive Director agreed, but stated that he was satisfied that all of the partners' risk management strategies were fit for purpose. Further to the subsequent debate, it was decided that the publicly available Risk Management Strategies of our partners in the Shared Services arrangements should be distributed to all members of the Committee.

The Committee

AGREED to approve the revised Risk Management Strategy, as set out in Appendix B of the report.

6. STATEMENT OF ACCOUNTS

The Executive Director introduced this report, which invited the Committee to endorse the Statement of Accounts 2015/16. He thanked the Principal Accountant and her team for their work in producing these accounts to an earlier deadline. He explained that whilst he was responsible for signing off the accounts as the Section 151 Officer, it was important for the Committee to discuss it first and suggest amendments.

Ermine Street Housing

The Principal Accountant explained that Ermine Street Housing's accounts were prepared separately and would be sent to company house as it was private company, but these accounts were also incorporated into the Council's accounts, as part of the Group Accounts of the Council.

Pension fund

The Executive Director explained that the Statement of Accounts detailed the position of the pension fund as a snapshot at March 2016. He went on to explain that the future position of the fund was a separate consideration. This would be evaluated by the appointed actuaries who would report towards the end of 2016.

City Deal

It was suggested that the administration work carried out by the Council should be included in the paragraph about City Deal. It was noted that the Greater Cambridgeshire area was the boundary of the District of South Cambridgeshire and included the City of Cambridge.

Housing legislation

The Executive Director explained that the Council would be required to sell the higher value homes when they became vacant to fund the Government's extension of the Right to Buy to housing association tenants. The Government had defined higher value homes by comparing them to prices locally and not nationally.

Amendments

The Committee recommended the following amendments:

- To bring the contents page to the front of the combined Narrative Report and Statement of Accounts document.
- To amend page 59 of the agenda to show that the Independent Group had six members.
- To remove the words "and Councillors" from the second paragraph below the heading "Post-employment benefits" on page 83 of the agenda, as Councillors were no longer eligible for the Local Government Pension Scheme.
- To define what Ermine Street is in an explanatory note on page 70 of the agenda.

The Committee

ENDORSED the Statement of Accounts 2015/16, with the above amendments.

7. MATTERS OF TOPICAL INTEREST

Internal Audit

The Executive Director explained that Huntingdonshire District Council were planning to join the shared Internal Audit arrangement with Peterborough Unitary Authority, Cambridge City Council and this authority.

Forward Plan

It was agreed that this Committee should have a Forward Plan.

8. DATE OF NEXT MEETING

The next meeting will be held on 23 September 2016 at 9:30am.

The Meeting ended at 10.30 a.m.
