

**AUDIT AND ACCOUNTS COMMITTEE: MINUTES**

**Date:** 29<sup>th</sup> May 2018

**Time:** 2.00 – 4.05 p.m.

**Place:** KV Room, Shire Hall, Cambridge

**Present:** Councillors: J French (substitute for Councillor Wells), P Hudson, M McGuire, M Shellens, (Chairman) T Rogers (Vice Chairman), and J Whitehead (substitute for Councillor Kavanagh)

**Apologies:** N Kavanagh, D Wells and J Williams

Note: In a change to the Committee membership Councillor Kavanagh has replaced Councillor Crawford on the Committee with Councillor Crawford now one of the named Labour Group substitutes.

**Action**

**81. APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN 2018-19**

Councillor Hudson nominated and Councillor Rogers seconded that Councillor Shellens should be re-appointed as the Chairman of the Committee. There being no further nominations,

it was resolved unanimously:

To appoint Councillor Shellens as the Chairman of the Audit and Accounts Committee for the Municipal Year 2018-19.

Councillor Shellens nominated and Councillor Hudson seconded that Councillor Rogers be appointed as the Vice-Chairman of the Committee.

There being no further nominations,

it was resolved unanimously:

To appoint Councillor Rogers as the Vice Chairman of the Audit and Accounts Committee for the Municipal Year 2018/19.

**82. DECLARATIONS OF INTEREST - none**

**83. MINUTES OF THE MEETING HELD ON 27<sup>th</sup> MARCH 2018**

The minutes of the meeting held on 27<sup>TH</sup> March 2018 were confirmed as a correct record and were signed by the Chairman.

**84. MINUTES ACTION LOG**

**Matters raised / clarifications requested from referencing the Minutes and Minute Action Log included;**

**a) Minute 72 Demography And Demand Planning  
Presentation Budgeting For Looked After Children**

Regarding the action for a report summarising the proposals scheduled for the Children and Young People's (CYP) Committee in May, the full report had been circulated to the Committee on 22<sup>nd</sup> May. As the CYP meeting had only been the previous week and the Minutes not yet drafted / cleared, a short report would be circulated to the Committee following approval of the CYP minutes. **Action**

**R Sanderson to  
Liaise with Lou  
Williams**

**b) Minute 74 BDO Pension Fund Planning Report for the  
year ending March 2018 (Page 13 on the agenda)**

It was confirmed that the second audit did take place on 4<sup>th</sup> June.

**c) Minute 75 – Closedown Progress Report (page 15)**

It was confirmed that that there would be a business rates section in the Accounts.

**d) Minute 77 Draft Internal Audit Progress Report (page 17)**

- i) Ely Bypass Overspend** It was confirmed that the overspend associated with the Ely Bypass Project would be incorporated in the scope of the capital contracts reviews to be undertaken by Internal Audit. In reply to a further question, it was clarified that any report back from Internal Audit was unlikely to be until the late Autumn.

**ii) LGSS Business Partnership Arrangements**

In response to a question on whether the target end date of end of May would be met it was orally reported that there had been a short period of delay but that it was expected to be issued in June.

- e) 6a) Minute Action Log** - It was confirmed that the Chairman would wish to receive an Internal Audit hosted seminar slot on providing a case study of anon-contentions project even if other Committee members did not wish to attend. **Action: officers to look at a date in the autumn.**

**R Sanderson/ M  
Kelly**

**85. CHILDREN'S SOCIAL CARE CASE LOADS QUARTELY  
UPDATE**

Concerns were previously raised by the Committee regarding high caseloads. The report provided a quarterly update to the Committee on children's social care case-loads to enable the Committee to monitor the potential risk involved.

The key issue reported was that following the Children's Change Programme, units and teams had now located into the new districts which had caused some short term movement of cases with some units over the anticipated caseload. During the previous quarter most of the districts had remained at a consistent high case load level, however, these had reduced in City and South Cambridgeshire to still high, but more manageable levels. The graph report highlighted some disparity when comparing total caseloads against each of the districts with Fenland, Ely and Hunts units having fewer cases compared to those in Cambridge City and South Cambridgeshire. It was highlighted that there were still considerable recruitment issues in the south west of the County (City and South Cambridgeshire) with 22 vacancies out of 64 posts which it was highlighted was a national issue. Cambridgeshire colleagues were working with their counterparts in Peterborough to try to address the issue as detailed in section 3 'Future Plans' section of the report. The proposals set out in section 3.1 had been agreed by CYP Committee the previous week. This would see the social workers model going back to specialisms within a team as general social workers posts was seen as being less attractive.

The Chairman requested that he meet with officers outside of the meeting to discuss age structures. **Action:**

**Sarah-Jane  
Smedmor**

Clarifications were requested:

- In respect of the statement Paragraph 2.4 reading "... It is of note that children identified as being in need of social work services by the Integrated Front Door to Cambridge City and South Cambridgeshire had been higher than other Districts" and a question on whether this was absolute numbers or rate of population, the reply was that it was rate of 100,000 population.
- The Chairman asked why the County had more 'Looked After Children' (LAC) than other authorities the reply was this was as a result of not progressing plans as quickly as some other authorities. With the new proposals having been agreed by CYP committee there was an expectation that the next report would be able to show an improved position.

Having commented:

It was resolved:

- a) To note the report.
- b) To note the continued monitoring of caseloads for the Children's Social Work Units by Children and Families Leadership Team.
- c) The next Update Report to come to the September Committee

## **86. REGISTRATION OF LAND PURCHASED FOR HIGHWAY PURPOSES**

This report updated the Committee on the Highways Assets project to register with her Majesty's Land Registry (HMLR) around 6,000 parcels of land purchased for highways schemes.

The Asset Information Searches team had also identified highway land parcels which were not currently being used for highway purposes and which might have alternative uses. As they were commercially sensitive their details had been provided in a separate, confidential background document to Members of the Committee but did not form part of the Committee papers. Consideration of such land identified fell within the remit of the Commercial and Investment Committee.

It was highlighted that:

- site valuations could not be undertaken until a strategic decision was made by the Highways Service to dispose of land. Identification of such sites had so far been restricted to the South Cambridgeshire area, although investigation of the Cambridge City Council and Fenland areas had recently commenced.
- Scanning and certification of the land deeds was completed during January 2018. Since that time, officers have been submitting deeds to HMLR for registration. At the time of writing the report HMLR's progress with registration has been limited due to the sporadic availability of staff resource. However, County Council officers had submitted over 490 deeds for registration and over 100 had been registered to date. It has been agreed with HMLR that priority sites would be identified by County Council officers and submitted for registration ahead of smaller sites and to expedite registration where there was a need to secure the Council's interest in the land. For sites where there was a requirement to extinguish the highway right, a stopping up order would be required through the Magistrates court. This could cost the

authority up to £5k per application, which in some cases was likely to exceed the value of the land for sale.

- The proposal to attempt to generate consultancy income as a result of being the first authority to undertake a full electronic registration of a series of parcels of land had to date garnered little interest.

Key issues highlighted in the report and presentation included:

- With reference to page 39 and identification of sites for disposal by district, a query was raised on whether the areas being progressed was due to some of the districts not responding to requests to supply planning constraint data. In reply it was clarified that all districts had been asked to provide their most up to date information regarding planning constraints, but currently Huntingdonshire District Council and East Cambridgeshire District Council had yet to respond, although for the latter, there was due to be an officer discussion meeting later in the week. A supplementary question asked what timescale for a response had been given, for which the response was that the request had not been issued in terms of an urgency request. It was suggested that target dates should be given as a useful reference for follow up requests. The Committee also offered assistance to the officers if they required Member intervention.
- One Member suggested that if land was identified that was no longer required for highways purposes it might be useful depending on their size, to offer them on a first refusal basis to the appropriate district council, as for instance, the City Council were always seeking land for housing. Councillor Shellens suggested that the Member who made the suggestion put the detail of the proposal in writing and then the Chairman / Democratic Services could bring it to the attention of Commercial and Investment committee. **Action**
- **Councillor French requested that officers' make available to her when it became available the list of land in Fenland identified as no longer required for highways purposes.** **Action** It was explained that this would be sometime in the future as Cambridge City was the next on the list to be progressed.

**Cllr Whitehead**

**Daniel  
Ashman**

It was resolved:

To note the progress to date with land registration and identification of land for potential sale or redeployment.

**87. TRANSFORMATION FUND MONITORING REPORT QUARTER 3  
2017-18**

This report outlined progress in delivery of the projects for which transformation funding had been approved at the end of the third quarter of the Financial year. The time lag for the report coming forward was that it was required to go to General Purposes Committee first. In the introduction amongst the points highlighted as updates were the following:

- The Dedicated Reassessment Team - Learning Disabilities had moved to an amber rating on the RAG (Red, Amber, Green) rating system for the reasons detailed in the report.
- Paragraph 4.2 Adult Transformation Programme jointly being undertaken with Peterborough City Council (page 52) included 12 opportunities for good savings and had been approved by the Adults Committee the previous week and would go forward to General Purposes Committee in September.
- Paragraph 4.4 External Funding / Cambridgeshire Lottery (page 53) – the licence from the Gambling Association was going through for implementation in October.

Questions and issues raised / explained included:

- The Chairman suggested the savings figures for the third quarter were disappointing and asked when the next report was due to be presented to enable comparison. In response it was due to come forward to the July Committee meeting.  
**Action add to Work Programme**
- **The Chairman asked for details of the target figure for the category ‘Using Assistive Technology to help those with Learning Disabilities live and be more independent<sup>4</sup> without the need for 24 hour or overnight care’ (page 48) Action:** The officer undertook to find out this figure and provide it to the Chairman outside of the meeting through Democratic Services.
- On a query regarding **‘Children’s Social Care Support for Young People with Complex Needs’** – the recruitment of a Service Manager to support the Fostering Manager was expected to speed up accommodation requirements / family placements.
- **Page 53 last paragraph under the section Neighbourhood Cares** - The Chairman suggested that the paragraph statement commencing with the text “A further

**Rob  
Sanderson**

**Julia Turner**

upcoming development is work with Purple.....” etc.  
was not very informative and required greater explanation.

**Action: The officer undertook to provide a fuller explanatory note to the Chairman outside of the meeting through Democratic Services.**

**Julia Turner**

- There was a request for more information in a future report regarding the Cambridgeshire Lottery in terms of:
  - how much money it was being estimated it would raise,
  - the number of people who were expected to participate,
  - the prize money that was to be offered,
  - how much County Council money was at risk.
  - How long was the Council committed to the Lottery.

The Member who raised the majority of the questions highlighted that the National Lottery was a cautionary tale as its revenue streams and public participation had visibly decreased in recent years. In response to the last two queries it was explained that there was no money at risk for the Council after the set up costs, as all the risk was with the operator and the Council could withdraw from the scheme after a year if it was not successful. **Action on other information points above still required**

**Julia Turner**

- Asking whether the report had gone to General Purposes Committee in March. This was confirmed. **Action: The Vice Chairman suggested that the next update report should include the relevant minutes from the General Purposes Committee as an appendix.**
- On a query on estimates of savings it was suggested that some were showing a poor return. In response it was explained that the estimate figure for the projects was for the end of the scheme rather than the financial year. As a further response it was suggested that the end of the project should be made clear and the projected income for each year as in one case it was showing an investment was £50k with an estimated saving of £70k.

**Julia Turner**

Having commented on the report and the impact of transformation fund investment across the County

**It was resolved:**

To note the report and receive the next update report at the July Committee meeting.

## 88. INTERNAL AUDIT ANNUAL REPORT 2017-18

The Public Sector Internal Audit Standards require that the Chief Internal Auditor presents an annual Internal Audit report to the Audit and Accounts Committee for its consideration and for it to be made aware of the Chief Internal Auditor's opinion on the Internal Control Framework within Cambridgeshire County Council. The Report forms part of the evidence that supports the Authority's Annual Governance Statement 2017-18.

The Chairman indicated that he had some minor changes to the presentation text that he would share with the officers outside of the meeting. **Action**

**Cllr Shellens  
/ Neil Hunter**

The officer in his presentation highlighted particular points as detailed in the report including;

- That on the basis of the audit work undertaken during the 2017/18 financial year, an opinion of good assurance had been awarded. The internal control environment (including the key financial systems, risk and governance) was well established and operating effectively in practice and there were no outstanding significant issues arising from the work undertaken by Internal Audit. The level of assurance therefore remained at a similar level to 2016/17.
- The overview and key findings highlighted that as a result of the audit reviews undertaken in 2017-18 no areas had been identified where it was considered that, if the risks highlighted materialised, it would have a major impact on the organisation as a whole. In each instance where it had been identified that the control environment was not strong enough, or was not complied with sufficiently to prevent risks to the organisation, Internal Audit had issued recommendations to further improve the system of control and compliance. Where the recommendations were considered to have significant impact on the system of internal control, the implementation of actions was followed-up by Internal Audit and reported to Audit and Accounts Committee on a quarterly basis. An overview of the implementation of actions in 2017-18 was summarised in Table 1 of the report.
- Table 2 Key financial systems audits 2017-18 – some of the assurance ratings listed were still draft but were not expected to change from the compliance rating as shown for 2016-17 with the detailed explanation provided in the



subsequent paragraphs. The summary of the risk based audits were set out in Appendix A to the report. (referred in error to as Appendix 1 in the cover report) Attention was drawn to a typo against the Debt Recovery compliance Assurance entry which should classed as 'good' and needed updating as did the systems assurance which should be rated 'satisfactory'. The final document would be refreshed to include these changes.

Issues raised included:

- On paragraph 4.2.5 in response to question from the Chairman on when debt performance targets could be expected to improve, the response was within the first three months of the year. **The Chairman asked that Internal Audit should follow up on this commitment.**
- Confirmation with respect to section 4.5 'Procurement and Contract Reviews' that reports would be coming back to the September Committee meeting as part of the Internal Audit Update Report.
- With regard to Table 3 investigations 2017-18 and the referral under the heading 'Conflicts of Interest Investigations' there was a request for more information on whom they involved. In reply it was explained that they related to investigations to staff working for a company and the Council. This had resulted in one match but had not been an issue when further looked into. The expectation was that there would not be an issue with the others still being reviewed.

**M Kelly.**

Having considered the report

It was resolved:

To approve the Annual Internal Audit Report.

## **89. DRAFT ANNUAL GOVERNANCE STATEMENT 2017-18**

This report presented the Annual Governance Statement (AGS) for 2017-18 for consideration by the Committee prior to sign off by the Chief Executive and the Chairman of General Purposes Committee

In discussion the following issue were raised / points made:

- **Page 87 under iv headed 'The Audit and Accounts Committee'** the Vice-Chairman suggested that the use of the words 'effective assurance' in the line reading "The Audit and Accounts Committee provides independent effective

assurance of the adequacy of the Council's governance environment" was subjective.

- **Page 88 under vii Internal Audit second paragraph** reading "The Chief Internal Auditor provided his annual report to the Audit (*and Accounts*) Committee on 12<sup>th</sup> June 2018. The report outlined the key findings of the audit work undertaken during 2017-18 including areas of significant weakness in the internal control environment" In discussion on this as there had not been any significant weaknesses identified, the word 'significant' in the last line to be deleted.
- The Chairman asked if there was a need for a Governance Issues list to be included. These were known but none were of significance to require to be included in the current document.
- It was suggested that that in future, changes to the AGS from the previous year should be highlighted in the draft document (as most of the AGS remains the same year on year) in order to make it easier for Committee to identify the key elements that had changed. **Action: Officers agreed this would be a useful addition and undertook to make this change in future years,**

**Mairead Kelly**

Having considered the report,

It was resolved to agree:

That the Annual Governance Statement (AGS) at Appendix A of the report was consistent with the Committee's own perspective on internal control within the Council and the definition of significant governance and control issues given in paragraph 3.2 of the report.

## **90. AUDIT AND ACCOUNTS - ANNUAL REVIEW OF THE TERMS OF REFERENCE**

This report presented the terms of reference for the Committee to review. As there had been an extensive review in July 2017 the Chief Internal Auditor was not suggesting any changes.

In discussion one Member suggested that the word 'governance' used under ' Section 2 Summary of Functions' bullet 4 could be interpreted as very wide ranging and a catch all word.

It was resolved:

To approve the current terms of reference as set out in annex A to the report.

## 91. WHISTLE BLOWING POLICY ANNUAL REPORT

The Committee was reminded that Cambridgeshire County Council's Whistleblowing Policy was revised and updated in 2017 to include greater detail on the issue of harassment following whistleblowing, setting out arrangements for monitoring the Policy, and ensuring officer contact information was up to date. This report had been produced as part of the Whistleblowing Policy in order to help identify any patterns of concern and assess the effectiveness of the Policy.

Section 2 of the report provided details of the publicity undertaken to increase staff awareness of the Policy. The Staff Survey conducted in May 2018 indicated that 80% of staff indicated that they were aware of the Whistleblowing Policy, and 80% of staff confirmed that they would feel confident in raising a serious concern either with their line manager, another senior member of staff, or via the Whistleblowing Policy. Only two members of staff indicated that they had considered using the whistleblowing process in the last 12 months with the detail of why they had not progressed the action set out in paragraph 3.4 of the report.

In line with the new Policy, Internal Audit had asked the key whistleblowing contacts to report on any cases raised under the whistleblowing process in the last 12 months. No cases were identified. It was explained that a good workplace culture should enable staff to raise concerns through their own line management structure, and therefore the lack of any whistleblowing cases was not necessarily a cause for concern.

Issues raised included:

- The Chairman highlighted that on Page 103 Quentin Baker's name needed to be removed as he was no longer with the Council. **He indicated that he had some drafting issues that he would share with the lead officers after the meeting. Action**
- The Chairman asked how the authority compared with other authorities in respect of whistleblowing numbers, bearing in mind that none had been reported for the current year and what was being undertaken to ensure every opportunity was afforded to those people who might wish to use the Policy. In response it was explained that the major website launch had only taken place in January and therefore the major way of publicising and making staff aware of the new policy was still relatively recent. Taking this on board it **was requested that a further report should come back to the September Committee with update details of the number complaints**

**M Kelly /  
Chairman**

**M Kelly**

**received under the Policy to help Members consider further, the effectiveness of the current publicity measures.**

- Another Member believed there required to be text inserted into the policy / or publicity to make a potential whistleblower aware that the person complained against should be provided with details of the complaint, in order to have the opportunity to defend themselves. In reply it was suggested that many cases of personal issues against individuals would be taken under the Council's separate grievance procedures. Those that were appropriate to progress under the Whistleblowing Policy were listed in paragraph 2.4 of the Policy. Further to this, Councillor Whitehead who had raised the query, suggested that some of those listed in the said paragraph were against the individual and suggested many people would not be clear if it was a complaint to be taken under the grievance procedure or under the Whistleblowing Policy and highlighted that the text in bullet one was significantly different from the other bullet examples. The officer responded that the Policy stated that when a person was unsure, they should in the first instance get in touch with the identified contact officers to help establish whether their complaint was appropriate to be considered under the Policy. **Action: It was agreed that the officers and the Councillor should arrange a further meeting to establish any changes required to the text of 2.4 and seek to resolve any other concerns the Member had with the currently worded policy.**
- It was clarified in respect of a question asked that schools had their own separate, whistleblowing policy.

**M Kelly to contact Cllr Whitehead and arrange meeting**

It was resolved:

That a further report should be submitted to the September Committee meeting with any suggestions for changes to the Policy along with details of any referrals submitted under the Policy.

## **92. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE YEAR ENDING 31st MARCH 2018**

This report summarised the overall financial position for the 2017/18 financial year with the key movements in operational expenditure highlighted below:

- The overall revenue budget position was a pressure of +£4.0m (+1.1%) at year end. This was a movement of - £0.4m on the forecast reported as at the end of February with

the majority of services reporting small favourable movements on their February forecasts with the exception of People & Communities (P&C) and CS Financing.

- The Capital Programme was reporting an underspend of - £2.0m compared to the position originally anticipated when the capital programme variations budget was set. Incorporating the in-year underspend of -£83.3m on Housing schemes, this gave an overall underspend position of - £85.2m. This included full utilisation of the £27.5m capital programme variations budget with the detail set out in section 12 of the report.

It was indicated that all the recommendations on the front page of the report for General Purposes Committee had been agreed by that Committee in the morning.

Issues raised / comments made on the report included:

- **Page 121 Table number of service users supported by key care budgets** – the Chairman expressed disappointment that the table did not provide base figures. **In response officers undertook to include start of year bassline figures as standard in future reports and would provide details on trends outside of the meeting.** Additionally graphical information was contained in the underpinning People and Communities Finance and Performance Report.
- **The need to include a title to the pie chart Corporate Risk Register indicator information on page 120 for future reports and if practicable, increase the size of the text.**

T Barden

T Barden

The Vice Chairman queried whether forecast changes since the previous month were reported on a comprehensive service by service basis. In response it was explained that individual Committee budget reports provided this information and to add this to the report that was primarily for General Purposes Committee who looked at it from a budget overview and summary perspective would add substantially more pages on information that was accessible electronically from the links included in the report. It was clarified that what was being suggested by the Member was two lines, one that provided details of the brought forward figures and another titled “other” for the month. **Officers to consider further the future formatting of the report in the 2018-19 financial year.**

Tom Kelly

- Reference was made to the performance section which highlighted that street lighting had used more energy than had been anticipated, with a question asked on why this might have been. **Action: The Deputy Section 151 Officer undertook to find out more detail and circulate it outside of the meeting.**

Tom Kelly

- Paragraph 6.9 reference to 'ppts' the Chairman sought clarification that this was an abbreviation for percentage points and stated (as it was a public report) it should have been spelt out.
- Page 131 Paragraph 6.8 Suggested that the **text relating to the number of people or seriously injured on Cambridgeshire's roads being higher than the target, was unfortunate wording and officers should look to revising it in future reports.**

T Barden

- Page 133-134 explanation requested regarding the text reading "The performance indicator for the visiting mandated check at 2-21/2 years is red but includes data from checks that are not wanted resulting in a high "did not attend rate". This related to checks where people had not attended or had not wanted to attend. As a further point the Chairman enquired on how many children might be at risk as a result of failed checks and at what point was intervention undertaken. In reply it was explained that if people did not attend this was followed up with a letter and phone call and referred on to the relevant partnership and to the police if there was a safeguarding concern. The Chairman enquired on the length of time for such an intervention. The Chairman of the Health Committee in response provided details of the 0-19 Visiting Service.
- Page 136 - attention was drawn to the second table 'Value of surplus revenue balance held by schools at 31<sup>st</sup> March' and the bottom line which indicated that one primary school still held a balance of plus £400k. Councillor Whitehead explained that such large surpluses being held by schools had been a concern for both Children and Young People's Committee and Schools Forum for a number of years. She made the point that schools who had converted to academies were not required to provide details of their reserve figures.
- Page 138 - Item 10.1 'Treasury Management Activity' - the Chairman asked for an explanation on why the interest receivable actual figure had resulted in a variation of around £800k less than had been estimated for in the budget. This

was the result of interest rates having been lower than expected and was a misclassification. **The officers would look at the format of the table for future reports.**

**Tom Kelly**

- In respect of the debt management position, **there was a request that in respect of the debt management report scheduled for the Committee, the lead officer should attend to be able to answer questions of detail. Action**
- Page 146 Guided Busway a 1.2m underspend was reported for year-end, an increase of £0.5m on that previously reported in February. The Chairman queried why this had not been reported sooner. The officer in response accepted that this had been an area of weak reporting and should have been forecasted earlier in the year.
- Page 147 - Safe Road Fund – in response for an explanation of the text for the £0.4m underspend for year-end reading “as a result of no expenditure this financial year” this was the result of one scheme slipping (A1303) and being re-phased to the next year.
- Page 155 - Paragraph 15.3 - With reference to the text on the ‘revised strategy for Council Tax agreed for the medium term agreed’ the Chairman stated that in his view this paragraph should have been more explicit regarding what it entailed.
- Page 160 - The Chairman reiterated his view from previous meetings that the level reserves and provisions was insufficient for the potential challenges.

**Tom Kelly to inform officer**

The report was noted.

### **93. AUDIT AND ACCOUNTS FORWARD AGENDA PLAN**

The agenda plan was noted with the changes agreed at the meeting:

#### **30<sup>th</sup> July**

Transformation fund Update Report  
Annual Risk Assessment Report

#### **September**

Whistleblowing Update Report

- 94. DATE OF NEXT MEETING – SPECIAL MEETING 2.00 P.M. 12<sup>TH</sup>  
JUNE 2018 TO CONSIDER THE DRAFT ACCOUNTS**

**Chairman  
30<sup>th</sup> July 2018**