

Appendix 3

AUDIT AND ACCOUNTS COMMITTEE MINUTES ACTIONLOGFOR COMMITTEE MEETING 26th JANUARY 2016

ACTIONS ARISING FROM THE MINUTES OF THE 14 th JULY COMMITTEE MEETING			
<u>NO.</u>	<u>TITLE OF REPORT / MINUTE AND ACTION REQUESTED</u>	<u>LEAD</u>	<u>PROGRESS / RESPONSE</u>
1.	MINUTE 144. ACTION LOG FROM MINUTES		
	a) 9d) Minute 136 Annual Governance Statement Customer Feedback Questionnaires – Regarding the questionnaire the Chairman suggested officers should consider including a question “What do we do that you think we ought to do again?” Action	N Hunter / S Norman S	The questionnaire has been reviewed and a further question has been incorporated with the detail sent in an email to the Chairman. Action completed.
	b) Page 11 Performance targets - Corporate Priority titled ‘Developing our economy’ fourth indicator reading ‘the proportion of pupils attending Cambridgeshire as schools judged good or outstanding by Ofsted’ - the Chairman had suggested at the June meeting that this was misleading, as it included two sets of activity relating to Secondary and Primary schools in the same indicator. In addition, he suggested it also needed to differentiate between Academy and Non-Academy schools, as the former was distorting the figures in a negative way. The action wasthat officers be asked to consider providing a further breakdown between, not only the types of school by pupil age	S Heywood	The response in the July report indicated that General Purposes Committee had discussed and agreed a new set of indicators that now no longer included any measure on the proportion of pupils attending schools judged good or outstanding by Ofsted. In discussion there was a request to investigate whether Children and Young People’s (CY&P) Committee included a similar indicator, as this Committee would wish to seek assurance that monitoring was undertaken to identify those schools not working effectively. A response was provided on 29 th July which stated

	group, but also between Academy and Non-Academy schools.		<p>C&YP Committee now consider and monitor an updated set of performance indicators which separately reports on the proportion of pupils attending Cambridgeshire (1) Primary, (2) Secondary, and (3) Special schools, judged good or outstanding by Ofsted. It was not proposed to separate out academies because Committee is concerned with all Children in Cambridgeshire schools.</p> <p>At the 22nd September Committee meeting the Chairman commented that he still believed splitting the statistic would show a significant differential and requested the additional information quarterly. A further update was provided to the Chairman in an e-mail dated 19th November which was included as Appendix 1 to the Minutes of the 24th November meeting.</p> <p>Action completed</p>
ACTIONS ARISING FROM THE MINUTES OF THE 22ND SEPTEMBER 2015 COMMITTEE MEETING			
2.	MINUTE 152 CAMBRIDGE CENTRAL LIBRARY ENTERPRISE CENTRE REVIEW		
	a) Section 6 Public Consultation and a query on whether the public currently had input to the Member Review Group looking at the Council's approach to consultation, this would be pursued outside of the meeting.	Mike Soper	Mike Soper confirmed in the update to the November meeting that the public does not input into this Group. As the Chairman was not satisfied with this response suggesting Members could not be expected to make decisions on future public consultation arrangements and how they could be improved without the benefit of the public having input.

			<p>Officers have arranged a meeting with Councillor Shellens to discuss the issue on 26th January.</p> <p>Action ongoing.</p>
<u>NO.</u>	<u>TITLE OF REPORT / MINUTE AND ACTION REQUESTED</u>	<u>LEAD</u>	<u>PROGRESS / RESPONSE</u>
3.	MINUTE 156. REPORT TO THOSE CHARGED WITH GOVERNANCE REPORT TO THE AUDIT COMMITTEE OF THE AUTHORITY ON THE AUDIT FOR THE YEAR ENDED 31ST MARCH 2015 (ISA (UK&I 260))		
	<p>The Chairman requested that PWC should provide an explanatory note to the Committee following the meeting on why such a significant anomaly on the valuation on 'Assets under Construction (AUC)' had not been identified in previous Audits.</p>	C Everest	<p>This had not been possible for the November meeting due to the need to prioritise resources finalise the Accounts in relation to the issue highlighted. A short report is provided on the current (January) agenda.</p> <p>Action completed.</p>
4.	MINUTE 157. STATEMENT OF ACCOUNTS		
	<p>a) Page 137 – Short Term payables – in relation to the payables sum to 'Other local authorities, entities and individuals' it was explained that these represented everything not included in the first three categories of the table and was a snap shot as at 31st March. The Chairman requested a further breakdown of the main items in a note to be circulated outside of the meeting. Action</p>	C Yates	<p>No update was available at the November meeting due to the considerable amount of resource required to drill down into the data and split the categories further and the need to concentrate on work associated with finalising the Accounts.</p> <p>The officer has now moved role and therefore due to pressing work as part of his new duties has still not found the time to undertake this request. The Committee to consider the added value this information will provide balanced against the</p>

			resources required to achieve it.
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	b) Page 156 – Capital Expenditure and Capital Financing - There was a request for a briefing regarding the change in the figures in respect of Government Grants and Contributions over the two years. Action	C Yates	<p>A response was provided to the Committee in an e-mail dated 23rd November Committee which indicated it relates to Revenue Expenditure Funded by Capital under Statute (REFCUS) and similar adjustments – when the spend for these items is moved to the Comprehensive Income and Expenditure Statement (CIES), any non-borrowing related funding is also transferred and is included on this line, reducing the balance. The amount of funding transferred relating to REFCUS and similar adjustments was higher this year as officers did some work on sorting out the Assets Under Construction balance (although this only related to ensuring the balance for the last 2 or 3 years was correct, rather than the much older work we've been doing in recent weeks).</p> <p>Action completed</p>
	c) Page 161 Street Lighting – there was request for a note outside to be circulated outside of the meeting of how the Council accounted for new street lights in the accounts. Action	C Yates	<p>An update was provided which was included as part of the response included as reproduced at Appendix 1 of the November minutes.</p> <p>Action completed.</p>
	d) Page 174 – Outstanding Invoices - Less than three months – request for note on why this happened. Action	C Yates	<p>An update was provided in an e-mail dated 23rd December with the detail included as Appendix 1 to this log. Action completed.</p>

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5.	MINUTE 158. SAFE RECRUITMENT IN SCHOOLS UPDATE There was a request to receive an update report at the November meeting.	K Grimwade	A report was included on the November agenda. A further update was programmed to come to the March meeting. Action ongoing
6.	MINUTE 161 RISK MANAGEMENT REPORT		
	On the Corporate Risk Register the following issues were raised		
	a) Risk 1b) – there was nothing showing regarding what activity was undertaken to reduce the risk. Action	Dan Thorp / Sue Norman	Risk 1b: The Corporate Risk Group (CRG) felt that for this risk the activity is probably well established within mitigations rather than being new one-off activity, Dan Thorp Strategy and Policy Manager Directorate of Customer Service and Transformation agreed to investigate further and it will be discussed again at the next Corporate Risk Group on 3 rd February. It was noted at the November meeting that the forecasted Children Families and Adults (CFA) overspend has been reduced to £1.4m and that Chris Malyon had reported a year end position in line with budget to General Purposes Committee on 20 th October.

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	b) Risk 3 – no active owner or target dates were shown, which had been a request raised at previous meetings. Action	Sue Norman/ Juliette Priddy	<p>LGSS Management Board will review the workforce strategy and action plan quarterly on 16th January.</p> <p>The owner is confirmed as the LGSS Management Board.</p> <p>There was a target date of September 2016 for the production of a common training programme by Organisational and Workforce Development taken from service needs and compiled from Personal Appraisal and Development Programme (PAPD) outcomes (annually) - owner LGSS People, Transformation and Transactions.</p> <p>The annual employee survey was undertaken this November to feed into LGSS service improvement plans– owner LGSS Service Assurance, Customers and Strategy</p> <p>Action completed</p>
	c) Risk 20 – the Chairman suggested that included in the key controls and mitigations column should be testing of retained learning. Action	SN	This has now been added to the Corporate Risk Register (CRR) Action completed
	d) Risk 24 - Review of e-Safety Policy – currently showing amber. There was a request to ensure it was signed off as the target date showed November 2013. Action	Sue Grace / SN	A report was considered and agreed by Strategic Management Team on 16 th November and had now been added into key controls on the CRR. Action

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	<ul style="list-style-type: none"> A question was raised at the September meeting on whether the City Deal should feature on the Council's Corporate Risk Register. In response, it was indicated that it was not currently on the Register but the Director, Customer Services and Transformation would check if it was on the ETE Risk Register. The query was regarding whether there were implications of the City Deal Capital Programme on the Council's Capital Programme. 	SN / Celia Melville ETE	<p>With regards to the City Deal Risk, Bob Menzies the Service Director, Strategy & Development, offered the following as a steer for SMT:</p> <p>"City Deal doesn't warrant an additional risk over and above the general issue of recruiting and retaining the staff we need to deliver all our programmes. In order to deliver City Deal we have over the last eighteen months filled existing posts that became vacant and which we would otherwise have left vacant, e.g. Head of Major Infrastructure Delivery (MIDI), Team Leader Public Transport Projects, and Two Project Manager posts in MID. We have also made four staff permanent who were employed on temporary contracts to deliver Cycle City Ambition Grant funded cycling infrastructure, and we have added two additional communications support officer posts to help with City Deal consultations. So in effect there are ten more posts in MID as a result of City Deal. All MID posts are charged to scheme budgets. We haven't yet added any additional staff to Transport and Infrastructure Policy and Funding (TIPF) but in a no city deal world MID would probably have merged with TIPF with a further reduction in posts. Between TIPF and MID we have a resource plan in place, and have identified the need to recruit further staff to deliver the rising workload as we move into next year. There has been no impact on the delivery of the Council's Capital Programme from City Deal."</p>

			<p>At the November meeting a further query was raised regarding of what the impact would be of failure to deliver the City Deal Projects</p> <p>An e-mail response was sent on 11th January and is enclosed as Appendix 2.</p>
7.	MINUTE 170. INTERNAL AUDIT PROGRESS REPORT TO 31ST OCTOBER		
	a) A request that in future it would be helpful if the Audit Plan could indicate those areas being progressed.	N Hunter	<p>This has been undertaken.</p> <p>action completed</p>
	b) The Whistle-Blowing poster should be redesigned to ensure that visually it could not be ignored.	N Hunter	<p>This is in progress</p> <p>action ongoing</p>
	c) There was a request for an update on Section 106 monies being used within its time limit via a report to come back to Committee later in the year, as part of the Internal Audit Update report.	N Hunter	<p>This is in progress.</p> <p>action ongoing</p>
	d) Requesting that the Audit Plan as set out in Appendix A should be provided in a more reader friendly, larger print format for future meetings.	N Hunter	<p>This has been undertaken.</p> <p>action completed</p>
8.	MINUTE 171 INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 30TH SEPTEMBER 2015		
	Page 74 Performance Targets - Helping people live independent and Healthy Lives – in respect of the first indicator and the text reading “Percentage of closed family Worker Cases demonstrating progression” there was a request for an explanation of what this		<p>An e-mail was sent to the Chairman who had made the query providing the information requested.</p>

	meant outside of the meeting.		
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9.	MINUTE 174. ASSURANCE FRAMEWORK UPDATE a) One Member, making reference to the previous reports on the Accounts, questioned whether there was an assurance to cover		
	reputational risk on the Accounts and whether there was a need to agree the Accounts / to receive an unqualified opinion on the accounts by the External Auditor. This would be looked at further but as stated at the meeting there was not the expectation of a similar issue to that which had occurred in relation to AUC.	S Hunter/ D Thorp / C Malyon	A further response was still being sought Action ongoing
	b) Councillor Crawford, making reference to new adults legislation in respect of care in the community / transforming lives, and possible legal challenge if the Council was no longer meeting its statutory responsibilities as a result of continued cuts, queried if this was included as a risk. In response it was explained that if the query related to the Adults Risk Register, as this was not considered by this Committee, this would be better raised at Adults spokes or the Adults Committee. The broader issue of whether there was a general risk and assurances around not complying with statutory responsibilities / duties placed on the Council, would be further investigated. Action		Officers have confirmed that Risk 20 on the Corporate Risk Register “Non-compliance with legislative and regulatory requirements”, would cover this. The Chairman who had raised the issue was informed via an e-mail dated 3 rd December. Action completed
10.	MINUTE 175. AUDIT AND ACCOUNTS COMMITTEE ANNUAL REPORT		
	In terms of Section 6 - ‘Future Focus for the Committee’ a comment made was that as the Council was adopting the new operating model for budgeting, consideration would need to be given on the Committee’s future role in looking at outputs, as opposed to inputs.	N Hunter.	Response: This will be completed at Annual Report time.

	To approve the Annual report to submission to the Council meeting	N Hunter	The report was submitted to the December full Council meeting. Action completed.
11.	MINUTE 176. AUDIT AND ACCOUNTS COMMITTEE TRAINING PLAN		
	A Training Session to be organised on the Corporate Accounts in advance of the June 2016 meeting	I Jenkins	The officer has been alerted and a training session will be prepared to taken in the hour before the meeting. If Members have particular issues they would like addressed they are invited to contact Ian Jenkins on the following email address so that the session can best be tailored to the needs of Members: ijenkins@northamptonshire.gov.uk Ongoing

Outstanding Invoices - Less than three months – request for note on why this happened.

Response

The summarised data from the aged debt reports for the 14-15 and 13-14 year-ends is as follows:

		Current	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-360 Days	361+ Days
Grand Total								
14-15:	41,900,991	22,928,686	11,339,341	2,563,076	684,096	1,283,329	1,015,066	2,087,398
Grand Total								
13-14:	25,648,601	16,704,628	1,069,440	505,733	2,228,112	1,159,685	759,625	3,221,377
Change		6,224,058	10,269,902	2,057,342	1,544,016	-		

The comparable figures above imply that most of the issue relates to debt less than 1 month old. Given that debt older than this is reasonable comparable, it seems as though customers are generally honouring the standard 30 day terms. The reasons for the big increase in debt less than 3 months old is as follows (from the debt team):

- The £23m figure for 14-15 'current debt' includes a £3m lodgement and £6m of Pensions invoices, one of the Pensions invoices in particular is £4m. The pensions invoices were cleared prior to the 13-14 year end.
- The £11m figure for 14-15 'debt 1-30 days old' includes £9m of invoices for ES against the debt type 'Sustainability Infrastructure'. The £9m is made up of 9 invoices in total but there is one large one in particular for £7.9m.

Risk Register
City Deal update

Dear Audit and Accounts Committee

At the November Audit and Accounts Committee, you received the following update regarding the request that the City Deal should be included in the Economy and Environment Risk Register as follows:

f) Minute 161 Risk Management Report – Request for update on whether the City Deal was included on the Economy and Environment Committee Risk Register

It was orally reported that Bob Menzies written response had stated that “it did not warrant a separate additional risk over and above the general issue of recruiting and retaining the staff to deliver all the programmes”, had been fully endorsed by Strategic Management Team.

As a reply, the Committee wished to ask a further question of what the impact would be of failure to deliver the City Deal projects and sought a reply from the officer.

The following response has now been provided in response to the above question:

The basis of the City Deal is that funding is split into three tranches. £100m has been provided for the first five years. Subsequent tranches of £200m for each of the next five years are subject to delivery of the initial tranche. The largest risk of non-delivery is therefore the loss of the further funding of £400m for years 6-15. While there is no direct financial impact on the Council, the impact of our inability to deliver infrastructure to support growth would be very considerable on the Greater Cambridge area and beyond.

Programmes for delivery of the larger projects are tight, having regard to the significant statutory and other processes needed prior to construction, and in consequence not all of the tranche 1 schemes will be fully completed within the initial five years. The Government will assess delivery by measuring each scheme against budget and programme, but the measures will not be set until the schemes are fully developed and committed.

It should be noted that the City Deal Board have prioritised £168m of schemes for tranche 1. While some of the additional funding will come from other sources such as developers, this also allows some contingency should projects take longer to develop, or are significantly scaled down or varied from the initial concepts in the bid following public consultation. Some funding has also been allocated for early development of tranche 2 projects, which will commence next year and provide a reserve list of projects.

Kind regards

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