

## Audit and Accounts Committee Minutes - Action Log

The minutes action log captures the actions arising at Audit and Accounts Committee meetings and updates the Committee on progress. It was last updated on 23rd October 2024.

Minutes – 28th September 2023					
140.	Financial Reporting and related matters	Tom Kelly/ Stephen Howarth	Officers confirmed there had been progress with VAT reconciliations, but there were other debtor balances relating to an isolated historic issue relating of IT system transfer. It was suggested that the Committee may be interested in looking at this situation in further detail in future, and officers agreed to include a section on this in a future report	<p>Further to progress with this area to enable an audit opinion on the 2021-22 financial statements, we similarly have chosen to stop short of a full reconciliation in producing the 2023-24 accounts (as part of the simplifications required to meet the statutory deadline). The mismatches stem from the migration of balances to the ERP Gold system in April 2018 rather than any ongoing issues. The next step is to complete the 2023-24 reconciliation as a basis for further analytical work and issue resolution and isolation.</p> <p>This means it is not possible to provide a fuller update to the committee meeting currently, but we will return to this area as team resources allow during 2025 and in view of prioritisation needed for completion of accounts and external audits.</p>	Completed

## Minutes – 1st December 2023

151.	Internal Audit Progress Report	Val Thomas/ Mairead Claydon	If target date on the associated actions (related to contract management) looks likely to slip further, the Director of Public Health will be asked to submit a report to A&AC.	<p>May 2024: The Acting Director of Public Health has confirmed that the necessary actions and processes have commenced and will be completed by a revised date of the end of July 2024. An update was circulated to the Committee in May, indicating a revised deadline of 31st July 2024.</p> <p>August 2024: There were two outstanding actions relating to two different services. The one action has been closed. It was agreed with Audit that this would be closed down when some outstanding open book accounting information was supplied by the provider, with the target date being 30th September 2024.</p> <p>September 2024: All actions have now been completed and signed off by Audit.</p>	Completed
154.	Committee Agenda Plan	Michael Hudson/ Clare Ellis	Assets & Procurement Committee report on Contract Risk assessment to be reported on to Audit & Accounts Committee in May or September 2024.	Report submitted to the Assets and Procurement Committee on <a href="#">17 September 2024</a> .	Completed

## Minutes – 6th February 2024

159.	Internal Audit Report	Martin Purbrick	Share results of the Schools Audit (specifically deficit Recovery Plans of schools in qualifying budget deficits) with the CYP Committee.	<p>We have published a full listing of schools with budget deficits as at March 2024 and provided further analysis on the financial health of the sector as Item 4 at the July Meeting of Cambridgeshire Schools Forum <u>Schools Forum 12 July 2024</u></p> <p>Summary information was also sent to the CYP Committee. Due to the worsening position, this matter was also considered by the SRP Committee in July (under item 6 see page 18 <u>Integrated Finance Monitoring Report</u>) and the 13 schools which have a planned accumulated deficit exceeding by 5% of their budget were named and reported to that meeting.</p> <p>Internal audit are deployed as part of the interventions available to the Council to prevent and respond to school deficits. Commentary on audit activity relating to schools is reported to this Committee in the Internal Audit progress report.</p> <p>It is an agenda item for Spokes on 24 October 2024 for discussion and has been sent to all members of CYP committee.</p>	Completed
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159.	Internal Audit Report	Stephen Moir/ Mairead Claydon	Provide a “deep dive” on some essential and high risk actions in future, potentially linking to the Annual Governance Statement.	<p>The Chief Executive and Head of Audit and Risk Management have now agreed a format and process for Executive Directors to attend and provide assurance to the Committee. A template report has been developed to aid in the consistency of presentation to the committee and to ensure this provides appropriate, strategic oversight and scrutiny from an assurance perspective.</p> <p>The first Executive Director assurance report will be presented to the Committee in January 2025, subject to the Committee’s agreement to this being included on the Forward Plan.</p>	Completed
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Minutes of 30th May 2024

176.	External Audit Plan and Strategy 2023-24	KPMG	The Committee asked why Risk 4, post-retirement benefits, was not ranked more highly. KPMG agreed to review.	<p>Risk 4 post-retirement benefits is a significant risk (which is the highest of our risk assignments). Slide 5 also ranks this risk as the highest likelihood of material misstatement.</p> <p>All of our risks will be re-assessed during the audit and should there be changes we will report back to the Committee.</p>	Completed
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## Minutes – 30th July 2024

185.	KPMG Audit Plan for Cambridgeshire Pension Fund 2023/24	KPMG	Following some challenge to the audit fee and ISA315 at Pension Fund Committee representatives of KPMG had met with Public Sector Audit Appointments (PSAA) around fee variations to ensure consistency in the way this was applied and to ensure that the additional work undertaken could be justified. That would be brought back to both the PFC and to Audit and Accounts.	The fees are based on scale rates agreed with the PSAA and the fees for work required regarding ISA 315 have been applied consistently across our audits. Fee variations require PSAA approval and we will report back to Committee when we have been through this process.	On-going
185.	KPMG Audit Plan for Cambridgeshire Pension Fund 2023/24	KPMG	A Member noted that the four major actuaries dealing with local government accounting took different approaches to calculating pension fund liabilities, and so would reach different figures. The most important figure in pension fund accounts was the liability, so if this figure was susceptible to significant change they would like either the Pension Fund Committee (PFC) or the Audit and Accounts Committee (A&A) to understand this better. The Chair advised that this would be for the PFC to lead on. The External Auditor stated that they would come back to both A&A Committee and to the PFC with a fuller answer on this once they had spoken to pensions colleagues.	<p>Assumptions used to drive the pension liability (e.g. mortality rates, RPI, discount rates etc) are estimates and therefore there is expected to be a level of subjectivity. This leads to slight differences in assumptions applied by different actuaries.</p> <p>The audit team will expect assumptions to be within an expected and reasonable range. We will assess all assumptions against our expected range and report back upon conclusion of our work to the Committee (with a detailed slide showing any assumptions outside of range and the impact).</p> <p>The Statement of Accounts will include detailed disclosures which help explain to the reader the sensitivity of the</p>	Completed

				liability value to movements in assumptions. As part of the audit we will assess the appropriateness and sufficiency of such disclosures.	
		Michael Hudson/ Mark Whitby	It was agreed to invite the Pension Fund Committee to seek greater assurance regarding the meaning of the actuarial figure which was created for the liability, the funding position and what should be done round this.	An exercise has been started with the Funds Actuary to review and explain the calculation to the Committee in December's reporting.	On-going
		KPMG	The External Auditor advised that they could request that their report included as much detail as possible regarding the investment in Cambridge and Counties Bank.	We will report the work undertaken back to the Committee on completion of our audit work.	Completed
186.	Consultancy and Agency Spend	Caroline Adu-Bonsra/ Stephen Howarth	<p>A Member commented that there seemed to them to be two elements to the costs around this: the extent to which a service was under its staffing complement and so there was less expenditure on salaries, and the degree to which the cost of interim or agency staff matched the money put in as a vacancy factor. They felt that separating these out might provide an interesting answer to the proportion of cost for agency and interim staff compared with the amount made available in the vacancy factor.</p> <p>The Chair asked for an answer on this outside of the meeting.</p>	<p>There are, as might be expected, complexities to the budgets relating to staffing, both directly employed and agency</p> <p>In answer to the expenditure on salaries and any savings as a result of vacancies – Vacancy factors are reported at directorate level and are net of any agency spend. Finance do not report solely on underspending of budgeted posts and to do this would be a complex piece of analysis. There are often a number of drivers that could result in staffing underspend that are not linked to any agency arrangement.</p>	Completed

				With regards to the cost of interim or agency staff – agency spend is also reported regularly and it is accepted that agency costs are in the main more expensive than an employed resource and should be avoided unless it is short-term in nature.	
187.	Procurement and Commercial Annual Report 2023/24	Clare Ellis	Officers' understanding was that the overall value of waivers was going down but they undertook to provide the value of waivers outside of the meeting, including those involving larger sums.	16.09.24: Information circulated electronically to committee members.	Completed
187.	Procurement and Commercial Annual Report 2023/24	Clare Ellis	A report had been submitted to the Assets and Procurement Committee which summarised the implications of the Procurement Act 2023. A copy would be circulated to Audit and Accounts Committee members for information.	<a href="#">Procurement Legislation - Report to the Assets and Procurement Committee 18.10.24</a>	Completed
187.	Procurement and Commercial Annual Report 2023/24	Clare Ellis	Training on evaluation modelling could be included in Members' procurement training going forward.	The need to include training on evaluation modelling has been noted for the future.	Completed
188.	Internal Audit Progress Report	Mairead Claydon	The Chair asked that a few lines of explanation should be provided for all closed whistleblowing cases in future reports.	This has been implemented for the October report.	Completed