

AUDIT AND ACCOUNTS COMMITTEE: MINUTES

Date: Thursday, 22nd November 2018

Time: 2.00pm – 5.00pm

Place: Kreis Viersen Room, Shire Hall, Cambridge

Present: Councillors: P Hudson, M McGuire, M Shellens, (Chairman) and T Rogers (Vice Chairman)

Apologies: Councillors N Kavanagh, D Wells and J Williams

129. DECLARATIONS OF INTEREST

None.

130. MINUTES AND ACTION LOG

The minutes of the meetings held on 20th September and 31st October 2018 were agreed as a correct record and signed by the Chairman.

Members noted the Action Log.

In respect of actions from the 31st October meeting while there was an update report on the agenda the Chairman highlighted that some actions requested were still outstanding.

131. PETITION AND PUBLIC QUESTIONS

No Petitions were received.

A number of statements raising further issues on Community Transport had been received in advance of the meeting from the Chairman and Members of the Cambridgeshire Bus, Coach and Taxi Association (CBCTA), Dave Humphreys and Donna Allsop. The Chairman of the Committee had directed that the Committee Members should receive the statements as background information in advance of the meeting and that any issues that required a response, would be provided in writing within 10 working days of the meeting.

Action: Chief Internal Auditor / Assistant Director Culture and Community Services

Reference was made to information updated the previous day by Mike Mason to the Chief Executive and to Members of the Committee in relation to his objections to the last two sets of Accounts, including the appointment of the consultants V4 Services Limited. The relevant officers would be looking at them and they would either be taken into account as part of the final report from BDO, the External Auditors dealing with the objections, or officers would

write to him outside of the meeting. **Action: C Malyon to liaise with BDO regarding providing them with the relevant documents.**

132. COMMUNITY TRANSPORT ACTION PLAN

This report provided the Committee with an update on progress with the Community Transport Action Plan following the previous update to the special Committee meeting held on 31st October 2018. At that meeting of the 66 actions, 46 had been marked as completed with the current update indicating that a further seven had now been completed (80%). Of the 20 actions not completed at the time of the previous meeting, four were ongoing with no expected end date with nine remaining in progress.

In discussion about the appendix showing the progress on those that had still been outstanding issues raised / highlighted included:

Action 40 – ‘external officer to investigate where the issues with the Freedom of Information requests originated’ and Action 41 Chief Executive to share Report with Audit and Accounts Committee- this report was still only in draft form so was unable to be shared at the current meeting but would come forward as part of a further update report to the January Meeting. **Action: Democratic Services add to agenda plan in name of Internal Audit.**

The Chairman asked that he be provided with the draft report as soon as possible. Action: Mairead Claydon

On the review of Community Transport membership, Officers had been reviewing the best practice and eligibility criteria undertaken by other authorities, in order to draw up criteria. These included being a resident of the area, having a demonstrable disability and having no access to public transport. Recommendations would be presented to the Economy and Environment Committee and there would be consultation. It was highlighted that the thorough review of all members requested by the Committee including when they renewed their membership and when they joined, might result in officer capacity issues. Once the criteria were adopted, officers would work with FACT / HACT to ensure that all their members satisfied the revised criteria.

One Member queried how geographical eligibility would be applied, as this could be discriminatory if members wishing to travel across district boundaries were refused, highlighting that South Cambridgeshire did not have a Community Transport provider and the whole of the County was not covered by Dial-a-Ride. It was explained that previously Members had agreed to four geographical areas for community transport and the grant conditions were therefore already geographically based. Where there was not a Dial-a-Ride Service, community transport would be provided by other means, such as taxi-card and community card schemes. Nevertheless, Councillor McGuire asked that his concerns should be brought to the attention of the Chairman and Vice Chairman of Economic and Environment Committee. **Action: Assistant**

Director Culture and Community Services

The Chairman asked when it would be sensible to have a report on the consequences of recommendations on membership. On the basis that implementation was likely to be March 2019 **a report should be received a year after that (March 2020) Action: Democratic Services to add to agenda plan.**

The Chairman expressed his concern on item 24, the second PKF report and the length of time taken for producing the draft report on the issue. The Chief Internal Auditor indicated that he would ensure his officers worked with both PKF and the Chairman and Vice Chairman to ensure the timetable of the next meeting would be met. **Action: Democratic Services to timetable for the January meeting.**

Action 44 – CCC to check that O or taxi licences are in place for commercial providers – The Chairman asked for an update. This was currently in progress with no failures as yet having been identified and an improvement noticed in recent weeks regarding drivers ensuring licences were displayed.

It was resolved:

To note the report and that there should be a further update for the January meeting.

MEETINGS DATES DISCUSSION

Before commencing with the next item, the Vice Chairman drew attention to

the large number of reports included on the current agenda. Due to other Committee commitments, he would have preferred two meetings of this Committee to do allow sufficient time for reading all the reports and asked that where it was known there would be a heavy agenda, this could be looked into for the future. There was also a suggestion made by another Member that the Committees should move to a morning slot to allow it to carry on to the afternoon if required. Democratic Services explained that the meetings programme for 2019-20 had already been agreed by Group Leaders and therefore the current scheduled meetings slot could not now be changed at this late stage, for both the current and the next municipal year. Democratic Services also pointed out that as the instruction from Group Leaders was that main committees only met on Tuesdays and Thursdays and due to the number of committees was already heavily congested, it would not be possible to have committees on these days lasting all day as the limited committee rooms available (KV Room and Room 128) were all booked for other service committees.

The Chairman asked that Democratic Services look further at the practicalities of the suggestions made when drawing up future years meetings programmes. **Action**

133. USE OF CONSULTANTS

At the request of the Chief Executive, Internal Audit had carried out a review of the use of consultants at Cambridgeshire County Council (provided as Appendix 1 to the report) including the procurement arrangements relating to the appointment of a specific consultancy agency, V4 Services Ltd(V4) (Appendix 2 to the report).

Internal Audit's findings identified satisfactory assurance over the system in place to govern the procurement and management of consultants but only limited assurance over compliance with the system. They also identified a lack of central oversight of consultancy expenditure, further hampered by the difficulty of identifying consultancy expenditure on the Council's financial systems.

In terms of the appointment of the consultants V4, this followed from the appointment of Gillian Beasley (GB) as joint Chief Executive of Cambridgeshire County Council and Peterborough City Council in October 2015 and the need to respond to the financial and other challenges facing the Council. The initial review she had undertaken identified a number of areas for improvement and transformation requiring rapid action (as listed in paragraph 2.1 of the report) to avoid even more substantial service cuts.

Given the level of urgency to deliver outcomes and the lack of expertise internally within the Council, the Consultants V4 who had previously supported Peterborough City Council in their culture change programme, were initially engaged under an exemption in December 2016 (as detailed in Appendix 2 of the report). Having commenced their review, it was found that the action required in some areas was higher than originally anticipated, as well as additional areas requiring attention. In May 2017, Strategic Management Team (SMT) identified the need to bring in a managed service provider for consultancy services to give the organisation access to a wide supply chain of transformation expertise. Whilst waiting for procurement through the new MSP, the expenditure on V4 exceeded the Council's permitted exemption thresholds.

In introducing the report, the Chief Finance Officer apologised unreservedly for this breach which had been reported to Council and General Purposes Committee with the acceptance that officers had been poor in respect of the commissioning arrangements in this particular case, whilst not apologising for the improved outcomes that had been achieved. From August 2017 all external consultancy work – including V4 - was procured appropriately through this new more robust procurement framework.

As a result of the findings of the Internal Audit review, a number of actions to improve systems of governance for the procurement and management of consultants were identified and agreed as detailed in the Use of Consultants Report, at Appendix 1 to the report. This included a draft revised Consultants & Interims Policy (provided as an appendix to the Use of Consultants report),

which was under review with colleagues in Human Resources and Procurement. **Internal Audit indicated that they would be conducting a follow-up review of compliance with this policy in the first quarter of 2019/20. (April-March) Action: Mairead Claydon**

In discussion:

- The Chairman, while expressing his concern at the serial malfunction of the procurement process at the highest levels, praised the officers for their transparency in bringing the report to the Committee. **He requested that he should be provided with details of Strategic Management Team's involvement (e.g. relevant notes of their meetings making reference to V4's appointment, any extensions and notification of the breeches of the procurement procedures so that he could see the process that had been taken)Action: Chief Finance Officer.**
- The Chief Finance Officer responding to a question on LGSS involvement, explained that LGSS provided a procurement service but that within the limited resources envelope provided, this was only sufficient to provide advice and act as an advertising service for contracts.
- The Chairman queried the sample size used (seven) and whether the lower number used was appropriate when the original aim had been for 10.
- With reference to the sum of £35m spent on "Other Hired Contract Services' subjective accounting code set out in the table in the first sections of the audit report the Committee queried whether this all related to consultancy services and a query on whether it was all consultancy services. Officers explained that the code did contain some consultancy work but mostly consisted of costs related to other types of hired service (examples being provided in the report). It was therefore currently not possible to extract only the consultancy services element.
- Page 48 - Lack of Records relating to Consultancy Expenditure – It was suggested that the recommendation should specifically state the length of time details of the consultancy costs should be kept as part of the record.
- In reply to how long the records would be kept, this would be the standard requirement which was the length of the contract plus six years from the date it ended.
- The Committee was keen to emphasise the need for oversight of costs which was also stated in the report.
- In a discussion on the limit for publication on the transparency code

(currently £5k) the Chairman asked that he be provided with details of a few services purchased under £5k. **Action: Chris Malyon**

- Page 53 –Payment of expenses – in the recommendation it was suggested that the word ‘should’ be replaced with the word ‘would’.The Chief Internal Auditor explained that this was standard wording but that the final version of the Policy would say ‘must’ rather than ‘should’

Issues on Management Action Plan

- Page 56 Cross County Consultancy – on the Consultancy Policy reference was made to a target date for the recommendations of 30th September which had now passed. It was explained that the Policy document had now been updated further to the version included in the report. Internal Audit agreed to find out and provide an update outside of the meeting of where the update had got to. **Action: Mairead Claydon**
- Page 58 - Management Action Plan – the Chairman asked that the recommendation regarding Succession Planning should have the addition of the words “and this Committee”
- The Chairman requested that in relation to control of consultancy expenditure, he wished to see regular reporting and asked that it should come back on a quarterly basis to Audit and Accounts Committee until the Committee was satisfied it was no longer needed. **Action: M Claydon**
- In reply to when the policy document would be available it was stated that it would be available for the January meeting. **Action M Claydon – also action for Democratic Services to add to agenda plan.**

NEW POLICY DOCUMENT

- Page 63 - The Chairman suggested paragraph 1.4 with reference to value for money should be 1.1 and not what appeared to be an afterthought. **Action**
- Page 64 – The Chairman suggested the wording in bold on OPUS LGSS seemed to be contradictory and suggested it should be looked at again. An explanation was provided on what it meant.
- Page 70 8.10 – on the last line reading “A summary of All ex-employees re-engaged as consultants will be presented to SMT/ CMT on a regular basis” - It was suggested that this should be on a quarterly basis and that this should be added to the wording. **Action:M Claydon.**The expectation was that this report would normally be blank as there were very few examples of re-engagement.
- Page 71 – Appendix A - Engagement of a Consultant –The Chairman

suggested Step 7 required a timescale for a response when contacting legal to discuss contract formalities. It was explained that this should be straightforward as Legal would have a standard template to work too.

- Page 85 paragraph 1.7 - Connecting Cambridgeshire Workstream - with reference to the final sentence in the second paragraph referencing payments to De Poel reading "The Programme Manager has not responded to a request for clarification of this issue" **the Chairman asked that a response be followed up and that the Committee be informed of the answer provided. Action: M Claydon.**

In summing up, the Chairman welcomed the transparency of the report and recognised the urgent need for action and that value for money had been achieved but could not condone the manner in which procurement procedures had not been followed.

It was resolved:

- a) To note the agreed improvements (and associated timeframes for implementation) as set out in the recommendations in the report set out in Appendix 1 as amended in discussion and agreed that they were appropriate and proportionate.
- b) To agree that Internal Audit should undertake a review on compliance by a spot check review of contracts with a view to reporting back in a year's time (*November 2019 or January 2020 whichever was more practicable*).
- c) That should any further breaches of the Contracts Policy arise before this review, an exception report should be presented to the next available Audit and Accounts Committee

CHANGE IN ORDER OF THE AGENDA

Due to the Officer requiring to be at another meeting it was agreed to change the order of the agenda and take agenda item 9 next in the order of business

134. REVIEW OF THE IMPLEMENTATION OF THE 'CHANGE FOR CHILDREN PROGRAMME' INCLUDING THE DEVELOPMENT OF SHARED SERVICES ACROSS CAMBRIDGESHIRE AND PETERBOROUGH

The Committee received a report presented by the Service Director Children and Safeguarding on the progress of the Change for Children Programme developed in order to address some long standing challenges in delivering children's social care services in Cambridgeshire. The programme which only went live in November involved the structure of children's social care services moving away from being based on small generic 'Units' to one of larger and more specialist teams. The aim was that the additional case-holding workers within the new teams would lower caseloads per social worker, while greater management oversight would help improve the quality of planning for children,

young people and their families. The commitment made to General Purposes Committee was that the changes would help bring child care services back to being at the average level of the County's statistical neighbours and achieve £3m in savings. It was highlighted that despite the level of change, morale in the service was good and the vast majority of the workforce welcomed the change of direction.

In discussion:

- In answer to a question on how progress would be measured, it was explained a report was going to Children and Young People's Committee proposing a whole range of performance indicators. Regarding the national target of 45 days for carrying out assessments following the referral stage, where the Council's performance was currently 84% against a national average of 85%, seeking to achieve challenging targets of initially 95% and eventually 98%.
- Regarding when a further update report would be appropriate, it was suggested the April / June figures would be an appropriate milestone which could allow a report to come forward to the July 2019 Committee meeting. **Action: Democratic Services to add to Agenda Plan.**
- Attention was drawn to the very successful recruitment exercise of 18 qualified social workers from overseas who had helped contribute to the reduction in the number of agency social workers employed. In the north of the County this was from a figure of twenty social workers at the beginning of the year to currently only seven and from a figure of 18 at the beginning of the year in the south to ten. The forecast at the end of the year was for only four agency staff being employed in the North and six in the south.
- Page 99 - Paragraph 2.37- in response to a question regarding child protection enquiries and the expected improvement in quality in this area, this would be monitored via a performance indicator on timeliness.
- Page 100 regarding pre-proceedings work detailed in paragraphs 2.44-2.47 this was seen as being a vital tool in ensuring where care proceeding cases had to go to court, the information was available to enable the courts to make decisions quickly and ensuring plans for children could be progressed.

Summing up the Chairman and Vice Chairman both praised the Director for an excellent report and looked forward to receiving the next update.

It was resolved:

- a) To note the progress made in the implementation of a new delivery model in Children's Social Care since May 2018 when the changes were approved by the Children and Young People's Committee.

- b) Note the areas of performance that the new delivery model was intended to improve and the measures to monitor this.

135. STREET LIGHTING ENERGY UPDATE

This report was in response to a request to update the Committee on recent trends relating to energy usage regarding street lights which had seen a reduction then an increase in consumption.

The key trends identified were:

- From the start of CCCs Street Lighting Private Finance Initiative (PFI) contract in July 2011, Balfour Beatty (the Council's Street Lighting PFI contractor) undertook to replace the existing street lighting inventory with a more energy efficient set of lights. The Programme ran until March 2017 and reduced the County Council's overall energy usage from approximately 21 million KWh per year, down to approximately 11 million.
- In addition to the above, the Council took the decision to implement reduced lighting levels, as well as switching off some lights between 2am and 6am, in order to deliver additional energy savings. These reductions were made between April 2016 and January 2017, at which point the Council reversed the decision. As a result, the 12 month rolling total of energy usage increased between January 2017 and January 2018.
- In general, energy consumption would increase year-on-year, as additional street lights were adopted from new developments and infrastructure improvement schemes across the County.
- The roll out of the Light Emitting Diode (LED) lantern replacement programme should help in decreasing current consumption with the report listing other measures to deliver energy efficiencies
- Other than the recent increased energy use resulting from overturning the decision to switch off lights, the general trend had been one of reducing energy use. It is expected that this trend would continue downward as more lights are upgraded to LED.

Issues raised in discussion included:

- In reply to questions on how far had the LED programme progressed and what it included, it was 75% completed with the remainder of conversions expected to be completed by December. All new lamps were fitted with LED bulbs. Since 2011 the County Council had adopted over 3600 lamps from new developments with 560 lights adopted so far this year and with an average of 700-800 new lights a year. In addition to new developments, the A14 upgrade would result in

- several hundred new lights being adopted at roundabouts etc.
- In reply to a question on how additional lights could be added beyond those included in the programme, the only way was either through the Local Highway Improvement Fund or asking the relevant Town Council to pay for it.

The officers were thanked for a very useful update report which the Committee was happy to note.

136. TRANSFORMATION FUND MONITORING REPORT QUARTER 2 2018-19

This report had not yet been received by the parent General Purposes Committee at the time of this agenda's despatch. It outlined progress in the delivery of the projects for which transformation funding had been approved at the end of the second quarter of the 2018-19 financial year. Of the schemes currently running 13 were green (on track) with two red and one amber due to the delivery of benefits either being delayed or not being achieved as originally anticipated. It was highlighted that even the two schemes shown as red had made significant savings and were still expected to make further savings.

In discussion:

- Regarding the Dedicated Social Work and Commissioning Capacity Learning Disability Scheme set out in 2.2 there was a request for an explanation outside of the meeting for the difference in the saving achieved shown in the table as being £1,737m while the text at the foot of the page referred to a saving of £2.5m **Action: Julia Turner**
- Page 111 - Outcomes table -in response to the query of why one of the schemes had a RAG (Red, Amber, Green) rating showing blue, this was due to it having had achieved greater savings than had been targeted for.
- Details were provided of additional schemes coming through for the following year including £1.5m for the Adult Positive Challenge Programme and more money for Looked After Children Initiatives.
- Regarding a query on some of the figures shown in the table under paragraph 2.1 on page 108, it was explained that the detail of how these figures had been calculated would be provided in the next update report.
- There was request for the detail of the annual budget of the Transformation Team. As the greater part of the funding of the Team was derived from capital project funding, the officer would need to take this way and provide the exact figure outside of the meeting. **Action: Julia Turner**

Having commented:

the Committee noted the report and the impact of Transformation Fund investment across the Council.

137. DRAFT WHISTLEBLOWING POLICY AND MANAGER GUIDANCE DOCUMENT

This report provided a revised Whistleblowing Policy and a Whistle Blowing Manager's guidance document for comments.

The Chairman commented that compared to the previous report where no whistleblowing complaints had been received the total of six as detailed in section 6 reflected progress in people being more willing to engage with the process and was a positive sign. Of these, one was below the threshold for investigation, two had involved the whistleblower being provided with advice and three had been the subject of investigation, of which two had been completed and one was still ongoing.

In discussion on the Policy:

- There was a request to update Fiona MacMillan's details.
- There was discussion on the wording in section 4.4 under the heading 'Untrue Allegations' and whether this required re-wording for clarity.
- It was suggested that in Section 5 - 'How the Council will respond' paragraphs 5.2 and 5.3 should come before 5.1.
- On paragraph 5.4 regarding writing to the person raising the concern within 7-10 working days, this was considered too long, potentially creating anxiety on what had happened to their complaint and therefore an addition to the wording should be made to send a simple acknowledgement as soon as possible after receipt. **Action. M Claydon**
- A question was raised regarding what would happen if it was necessary to the investigation to disclose a person's name and they refused permission. It was explained that if that was the case and unless there was a legal requirement to pursue the case further, Internal Audit would have no choice but to cease investigation due to the potential difficulties (these would be explained to the complainant). The aim would always be wherever possible to maintain a complainant's anonymity. The Chairman suggested that the relevant paragraph of the procedure needed to be revisited to provide greater clarity on the point discussed. **Action. M Claydon**
- Page 136 of the manager's guidance would also need to be updated to make reference to the initial acknowledgement response requested and agreed earlier. **Action M Claydon**

- On the same page under 2.1, an explanation was requested regarding what below the threshold meant. This related to the quantum of the allegation e.g. Internal Audit would not wish to use valuable resources to investigate minor allegations such as the alleged theft of an item of stationery. To be able to reach a reasoned conclusion it was necessary to obtain sufficient evidence.

Having recommended some minor changes and subject to their inclusion (to also include running a final version by the Chairman and Vice Chairman);

The Committee resolved:

To approve the revised Whistleblowing Policy and Whistleblowing Manager's Guidance document.

138. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit progress report was received by the Committee that provided detail of the main areas of audit coverage for the period 1st

September 2018 to 31st October 2018 and the key control issues that arose.

Section 4 set out the summaries of completed audits with satisfactory or less assurance which were in respect of:

- Public Health Section 75 Agreement Review – limited assurance over the control environment and a satisfactory opinion on compliance. Regarding a question raised by the Chairman of the Health Committee on the £123k underspend, Public Health officers were chasing up on the funding issues.
- Unannounced Visits – Libraries Income – satisfactory assurance over the control environment relating to income processes in libraries and also to compliance with income processes.

Section 5 included details of the significant pressures on the Audit Plan from resources required on the following:

- Ely Bypass
- ERP Gold

During discussion of the report:

- ERP Gold – The Chairman asked what progress was being made highlighting that at a Chairman briefing he had been informed that the excessive delays when remote working had been resolved. It was indicated that a stable platform was required for a six month period and was a top priority for LGSS and the Internal Audit Team with the main update as set out in paragraph 5.3 of the report. A briefing note having been prepared for Section 151 officers on issues requiring to be addressed. **The Chief Internal Auditor offered to provide a briefing**

note to share with the Chairman. Action: Duncan Wilkinson

- With reference to the Internal Audit Plan, and regarding the issues that had arisen during the year that had taken more Internal Audit resources / time, than originally planned for (e.g. ERP Gold Ely Bypass) asked that for the next meeting a summary of the impact on planned activity that could not be progressed to the original timetable should be provided with updates on this as a standard update in all future reports. **Action: Mairead Claydon undertook to include this in the January report.**

On Appendix B Summary of Outstanding Recommendations issues raised included:

- On Client Contributions - Deferred Payment Agreements – In respect of an update revised target date this was now January 2019.
- Payment Methods – Services should apply to be transformed – In reply to providing an explanation this was to ensure priority was given to those services with higher costs that would benefit the most from switching to electronic methods of payment.
- Schools Payroll and Safe Recruitment – Review of CCC contracts with External Payroll Providers – noting that the meeting to discuss the recommendations had been postponed in September the Chairman asked that this be chased up as soon as possible. **Action: Mairead Claydon**

It was resolved to:

To note the report.

139. INTEGRATED RESOURCES AND PERFORMANCE REPORT TO END OF AUGUST 2018

Members received a report that presented financial and business information to assess progress in delivering the Council's Business Plan which had been presented to General Purposes Committee who had agreed the recommendations as set out on the front page of the report.

During the course of discussion Members raised the following:

- With reference to question of how much remained in the Smoothing Fund following the approval of recommendation f) to allocate £3.413m from its reserves towards pressures in children's services budgets in 2018-19, the reply was approximately £5m.
- The Chairman highlighted that he had previously requested that the indicators on page 164 should include details of the target April base figure, what the figure had been for the previous month what the

current figure was for the month being reported and also the direction of travel. **The officer indicated that this information would be provided in future reports.** **Action: Stephen Howarth / Tom Barden**

- Page 170 - the Chairman highlighted that in the Revenue Budget table CS Financing was the only budget showing a minus figure (-4.5%) in the forecast variance for August column. The detail for this was provided in paragraph 3.2.6 on page 173. **The Chairman asked for more detail to be provided regarding the rebate of £110k of bank fees on international payments. Action Stephen Howarth**
- Page 171- the Chairman expressed his surprise at the large increase in Children in Care from the position in June – showing a pressure of +£1.4m an increase of £1.125m in just one quarter. The paragraph in the report referred to, explained the reasons.
- Page 172 – Attention was drawn to the reason for the need for High Needs Top up Funding which included new pressures within year.
- Page 172 - Sexual Health and Contraception – on the underspend in this budget it was explained the figure of £281k had been an accounting error for some time and needed to go back to the ring fenced Public Health grant reserve and would be used to fund £281k of public Health eligible funding during 2018-19 in place of £281k of General Cambridgeshire County Council (CCC) funding producing an overspend against the CCC corporate funding.
- Page 175 – Capital Programme an explanation was requested in respect of the top line of the table under paragraph 5.1 which had an original budget of just under £36m with a revised budget of nearly £62m and actual spend of just over £17.5m. These were issues of profiling. It was explained that a considerable amount of the capital costs had not come in for the Ely Bypass Project at the beginning of the year.
- Page 177 – paragraph 5.4.2 second bullet - it was explained that the re-phasing on the Northstowe Secondary and Special school was due to a requirement for piling foundations on the site leading to an increased in total scheme cost and also extended build time. This had not been initially planned due to the initial milestone estimates of cost not knowing the exact location of the secondary school. When this had been established the exploratory work on the ground conditions on site found the need for piling. This was challenged by another member who suggested the school had been in the Plan for five years and the position of the school was known as part of Phase 1.
- Page 182 – paragraph 6.2 it was clarified in reply to a query that the reference to Council tax should have had a capital T for tax to as it was referring specifically to 'Council Tax' levels and not to any other taxes.

- Page 183 - In relation to the balance sheet net borrowing projections of August showing a figure of £517m there was a request for an explanation of the final estimated figure of £683m at the end of the financial year. It was explained that the higher level of borrowing in respect of housing investments that would show up in the final figure at the end of the year.
- Page 187 Appendix 1 Transfers between services throughout the year – an explanation was requested for the figure of -863 on the line titled 'Greater Cambridge Partnership budgets not reported in CCC budget' - as this was the only figure showing a minus against Corporate Services – **Action - explanation to be provided by Stephen Howarth outside of the meeting.**

It was resolved:

To note the report.

140. LATE REPORT

The Chairman agreed to take the following late report under the discretionary powers given to him under Section 100B (4) of the Local Government Act 1972, having taken account of the following reasons for lateness and urgency provided:

Reasons for lateness – officers were not in a position to finalise the report at the time of the initial agenda despatch

Reasons for Urgency – The Chairman considered that it was important that from the current meeting onwards that there should be an update report on the accounts preparations to each Committee meeting up to the receipt of the draft accounts.

141. STATEMENT OF ACCOUNTS PROCESS – ACTION PLAN UPDATE

This report provided an update on progress following the review of the 2017-18 accounts closure process presented to the Committee in September.

It was reported by the lead officers Jon Lee and Michelle Parker that the 2018-19 accounts preparation with the new auditors was progressing well with an approach having been agreed, following a number of meetings between Finance officers and Mark Hodgson from EY, the Council's new external auditors. This included agreeing to take the date of property revaluations at 30th November with desk top reviews to be undertaken in February. The latter would determine whether any revaluations would be required, and would reduce the risk that values of property assets would be materially miss-stated at the balance sheet date of 31st March.

Other lessons learned and improvements for 2018-19 were set out in section

3 of the report under the headings: Data Analysis; ERP Gold Statement of Accounts Production. In terms of the latter, the intention was that at the January meeting there would be a brief demonstration of the new closedown approach.

During the course of discussion Members asked:

- how confident were officers that the transfer of data to ERP Gold would be achieved? In reply it was indicated that it had already been through an audit in respect of early transactions migrations to the new system and the relevant officers were meeting on a regular basis to monitor progress.
- What was the position on BDO being able to sign off the previous two years accounts which had been the subject of challenge by a member of the public? It was reported that the review by BDO was still ongoing, with no update currently available when sign off might be achieved and which would also involve a report back to the Committee.

It was resolved to:

- a) Note the report and
- b) Receive regular update reports to each Committee meeting.

142. FORWARD AGENDA PLAN

The Committee received its forward agenda plan for noting to be updated for changes agreed earlier in the meeting.

The Chairman requested that the delayed training on capital projects should be undertaken at around 1.00p.m. before the next Committee meeting in January.

It was resolved to note the forward agenda plan.

**Chairman
22nd January 2019**