

Audit and Accounts Committee: Minutes

Date: 19 February 2026

Time: 10.00am – 1.37pm

Place: New Shire Hall, Alconbury Weald

Present: Councillors M Black, A Bradnam, C Boden (Chair), R Ioannides, L Navarro and G Wilson

Non-voting co-opted member:
M Hussain (via Zoom)

S Brown KPMG, External auditor

44. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Councillor C Poulton, substituted by Councillor A Bradnam.

There were no declarations of interest.

45. Minutes – 28 November 2025 and Minutes Action Log

The minutes of the meeting on 28 November 2025 were approved as an accurate record and signed by the Chair.

The minutes action log was reviewed and noted.

46. Petitions and Public Questions

One public question was received from Lee Denison, a local resident. Mr Denison was unable to attend the meeting so a written response would be provided by officers.

There were no petitions.

47. Cambridgeshire County Council Statement of Accounts 2024/25 and Audit Results Report

The officer report provided a comprehensive overview of the Council's statement of accounts for 2024/25. The draft accounts were first shared with the committee at its meeting in July 2025, and were now provided in final form accompanied by an adjustment log setting out the treatments of any differences. The interim adjustment

log presented previously had included references to This Land Ltd, several leases and private finance initiatives (PFI). That work had been broadly concluded and the findings were included in the published papers. This year's audit was substantially more complete than the previous year and while it was expected that the 2025/26 audit opinion would still be disclaimed this would be on an improved basis. Work continued to work towards a non-disclaimed opinion in the future. There remained a difference of opinion between management and KPMG in relation to the CIPFA code requirement to hold This Land Ltd debt as an amortised cost as opposed to the historic cost basis used in the draft accounts and in previous years' final accounts. The rationale for this departure from the code had been set out in detail in a previous update. The approach of re-financing around £59.8m of interest-bearing loans into capital grants was supported by external advice and did not represent a material difference. A separate report set out KPMG's value for money work and the Council would need to sign a letter of representation at the end of process.

The Chair advised that he would extend the debate to enable committee members to ask as many questions or supplementary questions as they wished on the report because of its importance.

Individual members raised the following points in relation to the officer report:

- i. Disclaimed opinions and building back assurance
- asked when it was expected to return to a non-disclaimed audit opinion. KPMG advised that good progress had been made during 2024/25, especially on the balance sheet where they were comfortable with the closing balances in most cases. This put them in a good place to move back to full assurance. They were not yet at this point in relation to land and buildings and were in discussion with the National Audit Office and CIPFA regarding the most appropriate approach on this. Personal Protective Equipment (PPE) was also an issue, as with many other councils, and they needed to decide on the work required on the reserves position. KPMG would do as much build-back work as possible this year and would bring a more detailed timetable for moving back to a non-disclaimed opinion agreed with management to a future meeting. However, they judged it unlikely that this would be achieved in 2025/26. The Executive Director of Finance and Resources advised that it was not his expectation that the Council would move away from disclaimed opinion in 2025/26, and this view was shared by Section 151 Officers nationally. The aspiration remained to return to a position of full assurance as quickly as possible, but the backstop decision taken by Government meant there was still a lot of work to be done.
 - asked what local actions were within the Council's control in relation to addressing the disclaimed opinion. The Executive Director of Finance and Resources stated that it remained a statutory requirement for him review and sign off the accounts, even when the external audit opinion was disclaimed. The waste PFI was complex and required more work from the external auditors. There was also a need to be reasonable about how much additional work KPMG could take on when other local authorities were also asking them to do more work. Additional resources had been added to the in-house team during the past 12 months and he placed on record his thanks to the finance team and KPMG for their work. KPMG stated that it might be possible to return to full assurance more quickly if

the Council had unlimited resources, but in reality the aim was to agree a sensible timetable with management in relation to the 2025/26 audit to build back

assurance. A risk assessment was being carried out to identify what build back work was needed and that would inform the timetable. Both sides were keen to progress this as quickly as possible.

- the Chair asked that details of the timetable for returning to full assurance should be shared with committee members once agreed by management and KPMG, together with agreed milestones. **Action required.**
- commented that the Government backstop had created problems across the board for local authorities and led to a significant rise in audit costs.
- asked why it seemed more difficult to return to an undisclaimed opinion in relation to reserves. KPMG explained that there were no concerns that the Council was putting things in the wrong reserves, just that there had not been a recent audit of income and expenditure movements which could provide confidence in the reserve position. The risk assessment would identify where detailed work was needed.
- noted that there had been no delay in producing the 2024/25 statement of accounts. The Chair stated that the dates were known well in advance and allowed time to prepare the accounts. He emphasised the professionalism of Cambridgeshire and most local authorities in that regard.
- asked whether there had been a capacity issue in relation to the accounts. The Chair stated that this related to the external audit sector and was not an internal issue. There had been a reduction in the number of firms willing and able to carry out complex local authority audits, but the sector was now in a stronger position. KPMG advised that they were now significantly resourced with hundreds of local government audit specialists.
- asked about the potential impact of having a disclaimed opinion when local government reorganisation took place. The Executive Director of Finance and Resources explained that there would be a closedown of both the existing and new local authorities' accounts. The complexity of that consolidation exercise would create a drain on resources from other finance team tasks. Any element of disclaimed opinion carried forwards into the new local authorities would knock onto external auditors' ability to assess the opening balances for the new authorities. All local Section 151 Officers and finance teams were aware of and focused on this, alongside maintaining the processes within existing councils. The Chair highlighted the experience in Northamptonshire where it took years after the vesting date to agree the split, even with fully audited and non-disclaimed accounts. The Chief Executive endorsed the description of the volume and complexity of the workload involved, but noted that Northamptonshire County Council had been issued a Section 114 notice which had triggered reorganisation and did not have effective financial management processes in place.
- asked about capacity within the finance team to support local government reorganisation (LGR) alongside business as usual. The Chair advised that the

closing down of accounts was a standard process. The issue was that a lot of senior management time was already being taken up on LGR. He expected the

Audit and Accounts Committee to have a large part to play and that LGR would also become an increasing area of focus for Internal Audit, so it was important that the committee had a good understanding of it.

- the Executive Director of Finance and Resources confirmed that the Council's ability to obtain credit and its reputation had not been impacted by KPMG's disclaimed opinion. Partners understood this was a national problem and relationships remained positive.

KMPG introduced their year-end report to the committee and their draft annual report for Cambridgeshire County Council. The year-end report included a summary of audit findings, including good progress in areas of significant audit risk. Management had provided all of the information required. There had been a difference in judgment in relation to investment property value between KPMG and management the previous year, but the external auditor was comfortable with it this year, and also with management override and control and pensions. They were also comfortable with the work done on land and buildings. In relation to This Land Ltd, no material issues had been identified in relation to the implementation of IFRS16. PFI was a complex area and while KPMG had not been able to fully conclude their work it was in a good place for 2025/26. No significant control deficiencies had been identified. KPMG had proposed some narrative adjustments in the financial statement in relation to the recoverability of the long term debtor This Land Ltd and these had been taken on board by management.

KPMG's second report focused on value for money (VFM). Attention was drawn to an error referring to 2023/24 findings, and it was confirmed that the report contained the findings for 2024/25. Two significant risks were identified in relation to financial sustainability, but no significant weaknesses had been identified. Recommendations had been made in relation to oversight of the dedicated schools grant (DSG) recovery plan and these continued to stand although it was noted that further Government announcements had been made about funding a large amount of special educational needs and disabilities (SEND) deficit since the audit work was completed.

Individual members raised the following points in relation to the KPMG reports:

- i. Procurement waivers:
 - expressed concern about procurement waivers, requesting more detail on the number of waivers, their total value and why some were submitted so close to contract start dates. The Executive Director of Finance and Resources advised that procurement waivers were reported to the Assets and Procurement Committee (A&P) on a quarterly basis and formed part of an improvement journey for procurement which included Internal Audit reviews. A new waiver control had been put in place when the current Chief Executive was appointed as this had been highlighted as an issue by previous external auditors. Waivers would always be needed, but the key was to ensure that due process was followed. There had been a significant reduction in the value of waivers in the quarterly reports to A&P. Where they occurred the procurement and finance teams carried out

training with directorates, and they could remove the authority to approve waivers if this was considered appropriate. Officers had not identified money being lost.

The Chair commented that this had been a subject he had raised repeatedly over the past five years and he could confirm there had been a significant improvement in the Council's procurement processes and the potential impact of waivers. Some were due to factors outside of the Council's control but the position was greatly improved, including now looking at the value of waivers as well as the number. KPMG advised that they did not see this as a particular weakness.

ii. This Land Ltd:

- noted that the This Land Ltd debt of £59.9m had been converted to a capital contribution with no interest and a low probability of being repaid in full, and asked for the external auditor's view on this. KPMG confirmed their view that there was a low probability of this sum being recovered. The Council acknowledged this in its statement of accounts. They were content that the impact on reserves was correctly reflected in the financial statement and that this did not represent a significant issue to the reserve as Cambridgeshire had sufficient reserves to continue to function as a viable council. The Executive Director of Finance and Resources advised that his Section 25 report to the Strategy, Resources and Performance Committee in January 2026 stated that risk related to This Land Ltd had significantly reduced compared to previous years. This had also been discussed at the Audit and Accounts Committee meeting in July 2025. Overall, the Council had loaned £126m to This Land Ltd and, as reported publicly to the Shareholder Sub-Committee earlier in the week, on the basis of This Land Ltd's business plan it would pay back slightly more than £126m. This did not impact on the Council's financial sustainability, nor did it represent a loss.
- the Chair commented that in principle it would be fairly simple to deal with This Land Ltd in the context of LGR, although the numbers were quite big. The Council's assets would need to be divided up between its successor authorities, whichever option Government chose.
- commented that members had been told they would see the money that was converted to grant returned to the Council, but were now being told that there was a low likelihood of this. The Executive Director of Finance and Resources advised that this had been explored in public session by the Shareholder Sub-Committee. When This Land Ltd was set up around 2016 there had been an expectation of a high level of return. However, the impact of the pandemic followed by an economic downturn saw the housing and property market nationally being adversely impacted. The Council would see the whole investment repaid, but not the significant return that was initially expected.
- a member requested a confidential briefing session as some of the information relating to This Land Ltd was commercially confidential. Officers advised that the Shareholder Sub-Committee had been set up to exercise member oversight of Council-owned companies and all information was directed through that body. The Chair advised that if there was a specific request relating to the work of the Audit and Accounts Committee in relation to This Land Ltd officers would respond accordingly.

- highlighted that KPMG stated the debt had a low probability of being repaid but officers advised it was cash neutral, which appeared contradictory. Officers confirmed that both statements were correct. Over the lifetime of the loan This Land Ltd would pay a significant amount of interest to the Council which made it broadly cash neutral. KPMG advised that the initial intention was that the original investment would be recovered in full plus additional interest, whereas now it would be £60m plus a large amount of interest.
- commented that at a previous meeting they had been told that this was not a write-off, but now it seemed that it was. KPMG advised that there was £120m of long term debt on the balance sheet and £60m was transacted as a conversion to grant. Their preference was to have shown that as a separate line as an impairment, but management preferred to present it differently. The Chair advised that the effect on the bottom line remained the same.
- noted in relation to contingent liabilities that some of the loan had been written down to support with cashflow and asked what work had been done by audit to ensure repayments could be made. KPMG advised that the Council provided guarantees for any on-going quality issues with homes produced by This Land Ltd. They had not identified any warranty issues or claims at this point, but would re-evaluate this at each audit. There was no provision because no claims had been made so far against either This Land Ltd or the Council. The Council was the bond provider, but the changes made to This Land Ltd's business plan reflected that it had sufficient cash to meet its cashflow needs and KPMG had seen no indication that would be needed.

iii. Objections to accounts

- KPMG confirmed they had issued a determination on the objection to the 2023/24 accounts and would be taking no further action. They had agreed to look into the issues raised by an objector in relation to the 2024/25 accounts and were awaiting more information from the Council. It was hoped this could be concluded quite quickly once that was received.

iv. Dedicated Schools Grant (DSG)

- asked about potential liability relating to the DSG. KPMG advised that there was no further liability or impact on the current set of statements and exposure would be reduced going forward due to recent Government announcements on SEND deficit provision. Enhanced oversight of the DSG was recommended by both KPMG and Internal Audit, and the Internal Audit Progress report elsewhere on the agenda reflected the response by the Executive Director for Children, Education and Families. KPMG had no concerns about what was presented in the statement of accounts.
- asked whether a post-balance sheet event note would be needed to reflect the Government's plan to absorb much of the SEND deficit. KPMG advised that Government's announcement did not change its opinion in relation to the DSG. The Executive Director of Finance and Resources advised that he did not want to

amend the narrative to reflect this given that the detail of the Government's proposal was not yet known.

Summing up, the Chair stated that the information provided on audit differences contained much more detail than was seen in most local authorities. He welcomed this level of detail, including where differences were not material to the audit opinion, so that committee members had the opportunity to ask questions about these.

It was resolved to:

- a) endorse the treatment of audit differences set out in Appendix 1.

It was resolved unanimously to:

- b) note and comment on the final statement of accounts for 2024-25 set out in Appendix 2, and authorise the Chair of the committee to sign the final accounts.
- c) note and comment on KPMG's Year End Report to the Audit and Accounts Committee (Annex A).
- d) note and comment on KPMG's Auditor's Annual Report (Annex B).
- e) authorise the Chair of the committee to sign a letter of representation to the external auditor (Annex C).

48. Internal Audit Progress Report

Introducing the report, the Head of Internal Audit and Risk Management highlighted the response to health and safety incidents audit which had a limited opinion on the control environment. A correction was given to the compliance opinion which was Good, and not Moderate as stated in the report. A draft audit plan for 2026/27 would be presented at the committee's next meeting in March. The investigation caseload remained quite high, but there was a consistent flow of case closures. The final 2024/25 financial systems audit of income processing had been undertaken by the West Northamptonshire audit team. The draft report was expected to be issued in February and it was understood that the assurance opinion would be 'substantial.'

Individual members raised the following points in relation to the report:

- i. Health and Safety Audit
 - welcomed the significant work that had been done to improve health and safety across the council. However, they were disappointed that the system design assurance was limited and assurance over compliance was moderate. The committee learned that this was a specific audit about the response to an incident. Compliance with requirements of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) was generally good, with systems in place to identify RIDDOR-reportable incidents and to monitor

corporate compliance with RIDDOR. However, there was no centralised system to track, monitor and report on the implementation of actions required following a health and safety incident. The Chief Executive clarified that the compliance assurance rating was Good as the Head of Internal Audit and Risk Management had corrected in her introduction to this item. There was no mandated requirement from the Health and Safety Executive to have a centralised recording system and the corporate leadership team wanted to ensure relevant service areas were empowered to deliver their health and safety responsibilities and were accountable for them. For the first time a health and safety annual report had been taken to the Strategy, Resources and Performance Committee to increase member oversight and scrutiny. The Chief Executive expressed a very low personal tolerance of risk in relation to health and safety and outlined that work was being undertaken to look at how central tracking processes might be improved. Responsibility for health and safety policy now sat within the responsibilities of the Office of the Chief Executive and the Chief Executive expected these issues to be addressed relatively quickly. The Chief Executive further confirmed that near misses were included in the health and safety monthly dashboard that was considered by the Corporate Leadership Team, and they would continue to do all they could to improve near miss reporting.

- a member shared their experience of having tripped at a council meeting. It had been witnessed by officers, but there had been no follow-up. The Chief Executive expressed his disappointment at this and invited the member to share the details with him outside of the meeting. He reminded members that they also had a duty to report any incidents and near misses they experienced and to know how to do this.

ii. Cyber security

- asked what the council was doing to protect itself from cyber attacks. The Executive Director of Finance and Resources advised that Internal Audit worked closely with the IT cyber security team. The council had robust cyber security measures in place, but there was a need to be circumspect about these in public session. The corporate risk register included an exempt appendix relating to cyber security which was shared with both the Strategy, Resources and Performance Committee and the Audit and Accounts Committee. A more detailed report on cyber security was scheduled for the March committee meeting. A member training session was delivered in January 2026, but this was not recorded due to its sensitive nature. This would be offered again at a future date and members were encouraged to attend.

The Chief Executive endorsed these comments around cyber security. The council had robust systems in place and retained the necessary external accreditations. However, it was not possible to give an assurance that a successful cyber attack would not happen because cyber criminals were constantly evolving their attacks. It was a constant battle where organisations would always be playing catch-up, but the council took every step reasonably possible to avoid this and to encourage a culture of security. This included essential learning for all staff on cyber security and obtaining external advice.

The Chair commented that the issue of cyber security was taken very seriously by both management and Internal Audit.

iii. Whistleblowing

- the Chief Executive advised that whistleblowing was an important way to find out about risks to the council, but it was not its first line of defence. There had been low levels of whistleblowing reports in previous years, but it was now something which was actively encouraged. There was always room for improvement, but reporting concerns would never be seen as a negative thing and it was important for people to feel safe to speak up and raise issues. The results of the 2025 employee survey found that council-wide 68% of the workforce felt able to speak up and challenge issues, 9% higher than the IPSOS benchmark. The lowest scoring area was 62% with highest at 78% which offered reassurance that substantial progress had been made in this area. Internal Audit would action and follow up any whistleblowing concerns, and the Chief Executive paid testament to those employees who raised concerns in this way.
- noted that there had been 41 whistleblowing referrals by end of January and asked whether any additional resource was needed to deal with this higher reporting rate. The Head of Internal Audit and Risk Management confirmed that this figure was high compared to previous years. However, not every recorded case was actionable or required much investigation. Reports were also recorded which related to other organisations and which were passed across to them for investigation. All reports were triaged by the Internal Audit team, but some might be investigated by other teams. Internal Audit focused on reports of theft, fraud, corruption and governance issues. At present there was a steady closure rate and she was satisfied that Internal Audit was sufficiently staffed.
- referred to Case 226 which related to homecare concerns, where the case had been closed due to no further detail being provided. They were concerned that people raising concerns might worry about the implications for their job or continuing care. The Chief Executive advised that it was important to recognise that people were protected in law when raising whistleblowing concerns. Care settings were regulated by the Care Quality Commission (CQC) and Ofsted which provided direct routes for whistleblowing complaints. Through its commissioning process the council had on-going contract monitoring and management, safeguarding reviews and spot checks, and triangulated its work with other bodies. Any concerns would be investigated, with or without an allegation being made. The Head of Internal Audit and Risk Management advised that one of the benefits of the corporate whistleblowing route was that this was seen as a neutral and protected route to raise concerns outside of the line management structure. In a case like this the Internal Audit team would review and triage the concerns and approach the relevant commissioning team to discuss the most appropriate next steps as they might have other intelligence about a particular setting or provider. Typically this would lead to an investigation by the commissioning team with Internal Audit kept updated. No identifying information about the whistleblower would be shared with the provider. Sometimes reports were received like Case 226 that were so vague they prohibited any substantial investigation, but the concern would still be shared with the commissioning team and they maintained a log on every provider to build intelligence.

The Vice Chair of the Adults and Health Committee commented that safeguarding was about protecting people in care and those who were caring for them. The

Adults and Health Committee had been reassured about how seriously this responsibility was taken.

iv. Dedicated Schools Grant (DSG)

- noted that the report showed Internal Audit's essential recommendations relating to the DSG High Needs Block were overdue and asked when SMART targets would be in place. The Head of Internal Audit and Risk Management advised that some changes had been announced by Government since the report was drafted. If the action was not closed down by the time the committee considered the annual report Internal Audit would provide a more detailed report on this matter. Internal Audit continued to liaise with the Education service and considerable work was underway. The Chief Executive stated that part of the problem had been the requirement to implement new IT systems to support the conclusion of the Internal Audit action. The implementation of that was now underway. Government had closed the Safety Valve programme from 1 April 2026 and the new arrangements to write off around 90% of the debt accrued by upper tier authorities for the DSG High Needs Block should offer at least as much support as the Safety Valve programme, although the precise details were still awaited. Government's recognition of the financial aspect of this issue was welcomed, but it was also about improving the outcomes for children with special educational needs and disabilities. The member welcomed this explanation, commenting that it would be important to have milestones for the work.

v. Local Government Reorganisation (LGR)

- the Chair noted that an increasing amount of officer time, and particularly senior officer time, was being spent on LGR and asked the extent to which Internal Audit and the Audit and Accounts Committee should be looking at this. The Head of Internal Audit and Risk Management advised that she had been involved in the member and officer LGR working group. The audit plan for 2026/27 would be taken to the next meeting of the Audit and Accounts Committee and would include some work relating to LGR. It was also intended to allow a block of time within the year for smaller pieces of audit work which would be of benefit to the council and to provide assurance. She had met with the heads of audit across Cambridgeshire and Peterborough and they would be sharing their audit plans and looking for a degree of alignment next year. The MHCLG checklist would be reviewed in this context. The Chair highlighted the need for work to be appropriately focused on the areas of greatest risk and vulnerability. The Chief Executive observed that despite the length of the MHCLG checklist it probably represented a bare minimum of what would be needed.
- the Chair asked that a copy of the MHCLG checklist should be shared with the Leader of the Council. The Chief Executive's recollection was that the Leader had already seen this, but he undertook to re-send a copy.

vi. Overdue Actions and Known Losses

- asked whether there were any overdue actions relating to key systems and any known losses relating to overpayments or fraud. The Head of Internal Audit and Risk Management advised that this information was contained in Annex B of the report. From memory, there were some overdue actions for the finance and resources team, but these were not generally related to over payments or fraud. However, some amendments were being made to address possible future overpayments or fraud. There were no known losses in relation to the overdue audit actions. The Executive Director of Finance and Resources advised that it was not possible to give an assurance that there were no losses or frauds, but the report demonstrated that there were strong controls in place.
- asked what assurance existed that things were moving in the right direction as the existence of overdue actions did not fill them with confidence. The Head of Internal Audit and Risk Management advised that this was covered in section 10. Each year Internal Audit carried out some testing across risk areas and specific systems so typically there was a high level of review and assurance over those systems. Any actions were followed up and were not closed until Internal Audit was satisfied with the response.
- suggested the inclusion of a chart showing audit actions overdue by more than 12 months by directorate. The Head of Internal Audit and Risk Management advised that Table 8 was intended to do this, alongside Table 7 which presented overdue actions over time, but she was happy to take suggestions on other formats if they would be of use to members.
- suggested a directorate by directorate clearance plan for deadlines as they were concerned that the value of Internal Audit's recommendations could be lost if they were not implemented promptly. The Head of Internal Audit and Risk Management advised that Annex B was designed to flag actions to the committee which had been escalated further, sorted by how high priority they were and how long they had been overdue. This information was also highlighted in the main report. This was the same information that was shared with the Corporate Leadership Team. The Chair commented that part of this function fell to the committee. If members found that there had been undue delay in remedying Internal Audit actions it could refer these back to the relevant policy and service committee, and it had used this mechanism in recent years. The Chief Executive endorsed this, noting that the committee also received assurance reports from individual Executive Directors across the year where they could be questioned direct. This provided an additional opportunity for member scrutiny.

The committee noted and commented on the contents of the report.

49. Executive Director's Assurance Report: Place and Sustainability

The Executive Director for Place and Sustainability had recently left the Council to take up a new role. The report was presented by the Service Director: Environment, Planning and Economy.

Introducing the report, officers highlighted Section 2 which set out the directorate's functions and key responsibilities to December 2025. Since then the directorate had also taken on responsibility for community and resilience functions. Regulatory

services was currently a shared service with Peterborough City Council, but responsibility for trading standards was returning to the Council from 1 April 2026. The Annual Governance Statement highlighted the Cambridgeshire Guided Busway and Waste PFI as key risks while Section 4 set out the directorate's approach to managing risk. The Waste PFI review was looking at how to address the issue of facilities provided through a PFI contract which could not be used due to compliance issues. This had been reported most recently to the Strategy, Resources and Performance Committee in January 2026. A number of safety assurance measures had been introduced in relation to the Guided Busway, including reports to the Corporate Leadership Team and Change Board and regular reports to the Highways and Transport Committee. Six Internal Audit actions remained outstanding and there was recognition of a need for more robust systems across all services in relation to complaints and ombudsman cases.

The Chair reminded members that Audit and Accounts was not a service committee. Its role was to look at the assurance processes and be confident that a system of assurance was in place

Individual members raised the following points in relation to the report:

- noted that a number of Internal Audit recommendations were approaching their target completion dates and asked if these dates would be met. The committee was advised that a lot of work was happening to make sure Highways actions were being delivered. While it was not possible to guarantee that the targets would be met they were reviewed at a monthly management team meeting and officers within Place and Sustainability were now meeting directly with Internal Audit to understand their requirements in full.

A member asked if the Head of Internal Audit and Risk Management was comfortable with this response. She advised that there were six actions listed in the appendix which were quite varied. The service had been closing down elements of the capital project management action over time. There were other actions where Internal Audit had not seen the same level progress, like the highways reconciliation programme. Internal Audit continued to work with the service on these, which included exploring whether risk could be managed in a different way or if it was a risk the council should accept.

- in relation to street-lighting PFI, asked whether Balfour Beatty's survey of 500 people was sufficient given the number of people the contract was affecting, and whether the data obtained was representative and robust. The committee learned that this would be replaced by an in-house survey, and officers undertook to advise outside of the meeting whether it was proposed to survey more people in future. The Chief Executive stated that officers would also want to check the contractual provisions of the street lighting PFI around the satisfaction survey, the cost of bringing the assurance survey in-house and whether the sampling size was correct and demographically representative. **Action required.**
- a member commented that there were some uncomfortable aspects of the report, and that assurance only meant something if it was measurable. The Chief Executive advised that there were three policy and service committees which received assurance in relation to the matters covered by the report. The Assets and Procurement Committee received procurement and waiver reporting, the

Highways and Transport Committee (H&T) received reports on the Guided Busway, including detailed operational plans and the implementation of safety measures, and the Strategy, Resources and Performance Committee (SRP) had received a report on the Waste PFI in confidential session. All of these issues had been considered recently by the relevant policy and service committees. These issues were also covered in the Section 151 Officer's 2026-31 Section 25 Financial Sustainability Assessment which was reported to SRP in January and in the commentary from KPMG. All these matters had been subject to proper member oversight and scrutiny and there were clear timelines in place. In addition, the statutory officers were meeting fortnightly to ensure that measures relating to the Guided Busway safety improvements were happening on time and within budget and were meeting Health and Safety Executive requirements. The member acknowledged that this information was being provided to policy and service committees, but commented that they would like it reported to the Audit and Accounts Committee as well to see that key performance indicators were being met.

Another member welcomed the senior management oversight of safety improvements to the Guided Busway. They sought assurance that the Council could show that it had complied with everything in the judgement on the Busway. The Chief Executive advised that it was important to understand the verdict of the court following the Council's decision to plead guilty to historical health and safety failures relating to the Guided Busway. This was taken extremely seriously, and H&T had been privy to a range of reports relating to improved safety on the Guided Busway. A full safety assurance regime was in place which included external independent assurance and advice from separate legal counsel. Preventative and proactive inspections of the Busway were taking place and this was being communicated to communities and the public in general. Ongoing discussions were taking place with the regulator who continued to take an active interest in this matter, and the Council welcomed this. Links to the reports provided to other committees could be provided on request.

Another member noted that there were new guided busways in the pipeline and asked whether the health and safety learning from the existing Busway would be applied to these. The Chief Executive confirmed that learning was being shared with the Greater Cambridge Partnership (GCP). It could not be presumed that the new busways would be approved, but if they were they would follow a safe by design approach. As the Highways Authority the Council had taken responsibility for busway operation back in-house from the GCP so that any future busway operation and risk management would be entirely within the control of this Council.

- the Chair commented that risk matrices were always interesting, and he pleased to see there had been a movement away from the idea of targets to risk appetites which defined the limitations of what was acceptable. It was important that the likelihood and consequences of risks were reasonable. He questioned the risk matrix score for adverse weather of 15 which seemed to imply that the council's risk appetite was lower for something over which it had no control. Officers undertook to clarify this outside of the meeting. **Action required.**
- the Chair asked what assurance processes were in place to provide confidence that the work being done to fix potholes was cost effective. Officers advised that

contractors were held to account via a contract agreement to ensure works were carried out to an appropriate standard and rectified at the contractor's expense where required. This was monitored through the contracting team, and Internal Audit was currently carrying out work on highways contracts. The Interim Executive Director for Place and Sustainability would provide further details outside of the meeting. **Action required.**

The Chair exercised his discretion to accept an amendment to the report recommendation without notice.

On being proposed by Councillor Wilson, seconded by Cllr Ioannides, it was resolved unanimously that if officers are unable to meet Internal Audit target completion dates the high recommendations that are overdue by more than 12 months should be referred to the relevant service committee so that they are aware of the issue.

The committee considered the assurance provided over the adequacy of the Council's control environment and compliance with corporate governance controls.

50. Audit and Accounts Committee Agenda Plan

A member requested recurring scrutiny reports on procurement waivers, the dedicated schools grant and major contract exposures until performance was proven. The Chair cautioned about the need to avoid straying into the territory of the Assets and Procurement Committee. The role of the Audit and Accounts Committee was to make sure that there was a system in place to make sure that there was oversight. The committee must also avoid duplicating work being done by other committees.

The committee agenda plan was noted.

51. Audit and Accounts Committee Training Plan

The committee training plan was noted.

[Chair]