

## Farms Audit update

To: Audit & Accounts Committee

Meeting Date: 26 March 2021

From: Chief Executive

Electoral division(s): All

Forward Plan ref: Not applicable

Key decision: No

Outcome: To ensure all actions arising from the Farms Audit are reported back to the Committee giving assurance that appropriate actions have been taken.

Recommendation: The Committee is asked to note the progress of actions which arise from the Farm's Audit.

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## 1. Background and History

- 1.1 The tenancy of Manor Farm was advertised publicly as the smallest of ten vacant County Farms Estate holdings in early 2017. The tenancy was awarded to Mr Roger Hickford [REDACTED] on 5<sup>th</sup> April 2017 with a business tenancy signed on 20<sup>th</sup> December 2017. On 15<sup>th</sup> January 2019 the Chairman of Audit and Accounts Committee formally received a request from Councillor Nethsingha to review the process leading to the awarded of the tenancy and subsequent decisions made regarding the tenancy. The request was made after the Leader of the Council required Councillor Hickford to be identified at a meeting of General Purposes Committee on 18<sup>th</sup> December 2018 as a tenant of the property Manor Farm in relation to a prudential borrowing request for a house extension. It was agreed that Internal Audit would conduct the investigation.
- 1.2 During the course of the investigation Internal Audit concluded that it was necessary to audit the County Farms Service's existing processes, including compliance. The Chief Internal Auditor decided to combine the 'Tenancy of Manor Farm, Girton' report and the 'County Farms Processes and Practices' report into one report to give proper context to all matters to be considered by this committee.
- 1.3 The first draft of the 'Tenancy of Manor Farm, Girton' report was completed in June 2019. Some of the early findings showed financial concerns and in line with standard audit practice, the matter was referred to the police to consider whether a formal criminal investigation was required. The formal referral was made on 4<sup>th</sup> July 2019. The police confirmed on 9<sup>th</sup> October 2019 that they would progress an investigation. At this point the audit work stopped to ensure that there was no prejudice to the police investigation. Internal Audit supported the police investigation throughout.
- 1.4 On 5<sup>th</sup> March 2020 the police confirmed that they were closing their investigation with no further action and this was confirmed in writing on 29<sup>th</sup> April 2020. The audit work was able to commence again once this notification was received. From 29<sup>th</sup> April 2020 there were some delays, due firstly to the Chief Internal Auditor being deployed on the response to the pandemic and he picked the audit up as soon as he could and secondly most of June and part of July 2020 were taken up dealing with process challenges by ex-Councillor Hickford's solicitors.
- 1.5 The report also went through two rounds of fact checking with key stakeholders which allows those stakeholders to see the parts of the report that relate to them and allows them to confirm or challenge the facts in those parts of the report which relate to them. The Chief Internal Auditor reported on the progress of the report to this committee on 24<sup>th</sup> November and confirmed that a final report would be issued to the Chief Executive and Monitoring Officer on 4<sup>th</sup> December 2020, as well as the Chairman, Vice-Chairman of this committee and the Leader of the Council.

- 1.6 On 7<sup>th</sup> December 2020 the Chief Executive was informed that the Chief Internal Auditor would not be able to complete the audit due to his sickness. Immediately after this news the Chief Executive worked with the Head of Finance to procure an audit firm to complete the audit. On 23<sup>rd</sup> December 2020 Audit and Accounts Committee met and resolved to note that the Chief Executive would proceed to appoint an independent firm of auditors to complete the audit. That appointment of Mazars LLP was made on 23<sup>rd</sup> December, after the committee. Mazars are a global top 10 accountancy firm and have expertise in corporate investigations as well as provision of audit services to the public sector.
- 1.7 On 26<sup>th</sup> January 2021 the committee received a report updating on the progress of Mazars' work which resulted in the Committee setting three dates to consider the report, the first being 5<sup>th</sup> March 2021. The Chief Executive confirmed at this meeting that whilst the reports which the committee would receive would be unredacted it would be up to the committee to determine whether the reports could be considered in the public domain. This position was confirmed by the Monitoring Officer who agreed to send written guidance to the committee on the considerations they would need to apply in determining these matters. On 25<sup>th</sup> February reports comprising over 480 pages were sent to the committee for its meeting on 5<sup>th</sup> March 2021 ( unredacted apart from reactions made for GDPR purposes). The reports were all marked as exempt as they contained exempt information under paragraphs 1,2 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972 amended. The information in the reports specifically related to an individual, information which is likely to reveal the identity of an individual and information relating to the financial affairs of any particular person.
- 1.8 On 26<sup>th</sup> February 2021, ex-Councillor Roger Hickford resigned as a councillor of Cambridgeshire County Council.
- 1.9 On 5<sup>th</sup> March 2021 the committee met and in summary the following business was transacted:-
- The committee determined that the section of the Mazars' report on the County Farm Service process and procedures and the 31 recommendations in the relevant audit should be made public and considered first by the committee as these sections did not contain exempt information. The committee adjourned for those sections to be made public and the committee then debated in detail all of those recommendations and made comments, amendments and recommendations accordingly;
  - The committee then resolved to consider the remainder of the reports in private concerning specific tenancy issues, code of conduct and disciplinary issues as this information was exempt and the committee considered, on the basis of the legal advice that they had received that these matters should not be considered in public;
  - The committee agreed that a press release of the proceedings of the committee should be issued as soon as possible and that a further report be prepared for the consideration of this committee of matters which could be considered in the public domain. The press release is attached to this report at [Annex 1](#).

## 2. Audit Findings

2.1 The audit concluded that correct procedures were followed in relation to the tenancy award process and also the approval of the additional extension works for the Manor Farm Dwelling.

2.2 Other serious concerns were raised as a result of the wide ranging audit investigation as follows:-

- Eleven recommendations were made to be considered for further action in relation to financial, transparency and conduct issues which this committee agreed should be referred on for further consideration under processes including the Members Code of Conduct and officer disciplinary issues. The Chief Executive and Monitoring Officer accept all of the recommendations and have committed to follow them up applying the relevant council procedures.
- These matters related to whether;
  - a) transparency rules were always followed;
  - b) an inappropriate advantage accrued as a result of the tenant's position
  - c) behaviour towards staff was inappropriate and;
  - d) staff took appropriate steps in relation to a number of matters outlined in the reports.
- Another thirty-one recommendations were made to strengthen policies and procedures of the County Farms Service and these management actions were reviewed by Mazars and these were considered and debated at length by the committee at its meeting on 5<sup>th</sup> March 2021.

### 3. Action and next steps

- 3.1 The Assistant Director: Property will be attending the meeting of Audit and Accounts Committee on 23<sup>rd</sup> March 2021 to update on the actions being taken in relation to thirty one recommendations which were agreed.
- 3.2 The Monitoring Officer is taking forward the Code of Conduct issues in accordance with the procedures required under the Localism Act referred to her in the Mazars report in eight of their eleven recommendations as referred to above.
- 3.3 The Chief Executive has considered with the Assistant Director: Human Resources the disciplinary matters referred to her in the Mazars report in two of their eleven recommendations.
- 3.4 The Chief Executive has amended the Respect at Work Policy to make reference to how officers can make a complaint under the Code of Conduct for Members and what support informal or otherwise is available to officers in this situation. A pulse survey of staff has already been planned for April 2021 on the implementation and awareness of the Respect at Work Policy which has been completely revised over the last two years and it is planned to add some questions to reflect the findings of this audit. Finally, in the new municipal year the ongoing awareness raising and training of officers and their managers will be reviewed against the findings of this audit and amended to reflect the findings of this audit. Induction arrangements for new officers are also being reviewed.
- 3.5 The Council's Whistleblowing procedures are being reviewed by Internal Audit and it is planned that, at its first meeting of the new municipal year, the Audit and Accounts Committee will be asked to consider an amended version of these procedures which will reflect the findings of this audit.
- 3.6 Induction of County Council Members has been arranged post the May 2021 elections and there is a module on the Code of Conduct and the Member Officer Relations Protocol. The Monitoring Officer is commissioning external training to support this module reflecting the findings of the audit.
- 3.7 The Monitoring Officer is drafting a new Conflict of Interest Policy for members, taking into account best practice elsewhere, which will be presented to the relevant committee in the new municipal year.
- 3.8 Other financial and transactional matters have been referred to the Assistant Director: Property and LGSS Law Ltd and are currently under consideration in accordance with one of the eleven recommendations.

### 4. Significant Implications

#### 4.1 Resource Implications

- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications
- 4.3 Statutory, Legal and Risk Implications
- 4.4 Equality and Diversity Implications
- 4.5 Engagement and Communications Implications
- 4.6 Localism and Local Member Involvement
- 4.7 Public Health Implications

This report refers to the progress being made with the Farms Audit in the context of the relevant regulations and statutory framework. There are no other significant implications.

## Implications

Have the resource implications been cleared by Finance?

Yes/No Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?

Yes/No Name of Officer: Gus de Silva

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?

Yes/No Name of Legal Officer: Fiona McMillian

Have the equality and diversity implications been cleared by your Service Contact?

Not applicable

Have any engagement and communication implications been cleared by Communications?

Yes/No Name of Officer: Christine Birchall

Have any localism and Local Member involvement issues been cleared by your Service Contact? Not applicable

Have any Public Health implications been cleared by Public Health Not applicable

## Source documents

Previous reports to this Committee: [Link to Audit & Accounts Committee page](#)

## PRESS RELEASE

An all-day meeting of Cambridgeshire County's Audit and Accounts committee yesterday (Friday, March 5th ) considered the outcome of a 400+ page audit report into the process leading up to the award of the tenancy of Manor Farm, Girton, the subsequent decisions made regarding the tenancy and the processes and practices of the County's Farms Estate

And while the audit concluded correct procedures were followed not only in relation to the tenancy award process but also to the approval of the additional extension works for the Manor Farm dwelling. However other serious concerns were raised as a result of the wide ranging audit investigation.

This resulted in eleven separate recommendations, made to be considered for further action in relation to financial, transparency and conduct issues which the committee agreed should be referred on for further consideration under processes including the Members Code of Conduct and officer disciplinary procedures.

Another thirty one further recommendations made to strengthen policies and procedures of the county farms estate itself, were also discussed and the management action relating to each considered.

Cambridgeshire County Council is an organisation where, when concerns are raised, they are properly and fairly investigated. It seeks to learn from what is found, take action where this is needed and most importantly put in place measures to prevent them reoccurring.

All of the committee members were adamant that this ethos should prevail as regards to this particularly important and far ranging audit.

Gillian Beasley, Cambridgeshire County Council's chief executive – who has taken personal oversight of the progress of the audit since the end of last year – confirmed that the council fully accepts all the findings of the audit, and its recommendations.

Action on many of the recommendations are already underway and a follow up meeting for the Audit and Accounts Committee to consider the progress of all of these actions will take place on March 23rd.