

AUDIT AND ACCOUNTS COMMITTEE MINUTES ACTION LOG FOR COMMITTEE MEETING 20th SEPTEMBER 2016

ACTIONS ARISING FROM THE MINUTES OF THE 22ND SEPTEMBER 2015 COMMITTEE MEETING			
<u>NO</u>	<u>TITLE OF REPORT / MINUTE AND ACTION REQUESTED</u>	<u>LEAD</u>	<u>PROGRESS / RESPONSE</u>
1.	MINUTE 158. SAFEGUARDING - SAFE RECRUITMENT IN SCHOOLS UPDATE There was a request to receive an update report at the November meeting.	K Grimwade	A report was included on the November 2015 agenda. A further update was received at the March 2016 meeting with a further update re-programmed from the September Committee to be received at the November 2016 meeting. Action ongoing
ACTIONS ARISING FROM THE MINUTES OF THE NOVEMBER 2015 COMMITTEE MEETING			
2.	MINUTE 170. INTERNAL AUDIT PROGRESS REPORT TO 31ST OCTOBER		
	The Whistle-Blowing poster should be redesigned to ensure that visually it could not be ignored.	N Hunter / M Kelly	The campaign has now launched with details provided in section 2.1 of the Internal Audit Progress report included on this agenda under the title 'Counter Fraud Awareness' Action completed.

ACTIONS ARISING FROM THE MINUTES OF THE 15th MARCH MEETING 2016 COMMITTEE MEETING			
3.	MINUTE 200 - CAMBRIDGE LIBRARY ENTERPRISE CENTRE REVIEW – UPDATE ON ACTION PLAN PROGRESS TO DATE		
	a) Confidentiality Agreement - It had been agreed that Quentin Baker Director of Law, Procurement and Governance was the appropriate officer to prepare the relevant report. At the time of the March Committee meeting no update had been provided by the Director of Law and Governance for the Progress Plan and the Chairman therefore undertook as an action to telephone him personally to request an update.	Internal Audit	Internal Audit were still seeking clarification of timescales from the Director of Law, Procurement and Governance. Action ongoing
ACTIONS ARISING FROM THE MINUTES OF THE 7th JUNE MEETING 2016 COMMITTEE MEETING			
4.	MINUTE 214 - ISA 260 UPDATE REPORT		
	a) Page 4 First line entry - list of all assets – There was a request for a six month progress update on the 18 month project to register all 6,000 parcels of land purchased for highways schemes with the Land Registry. Action	Iain Jenkins	The Agenda Plan has been updated to receive a report back in November. Action ongoing
	b) Page 6 Bank Accounts - Text on latest position reading “Ten imprest (petty cash) accounts remain to be mapped to the GL and these are being investigated”. The Chairman requested a confirmation note when completion was achieved on these final 10.	Iain Jenkins	An update the Committee is asked to note that this work was put on hold as finance officers had to prioritise completing the draft Statement of Accounts but it will now be picked up again. There are still 10 imprest / petty cash accounts to be mapped to the General Ledger. The value of these accounts is not material.

			A further update will be provided once this review is completed. Action ongoing
5.	MINUTE 215 - BDO EXTERNAL AUDIT PLANNING REPORT TO THE AUDIT AND ACCOUNTS COMMITTEE AUDIT FOR THE YEAR ENDED 31ST MARCH 2016		
	b) Page 6 setting out the Audit Scope and objectives – with reference to number 5 ‘use of resources’ the Chairman requested that in respect of ‘securing economy, efficiency and effectiveness in the use of resources’ that future reports from the External Auditors should provide examples of best practice undertaken in other local authorities. Action	Lisa Clampin	This has been noted and the Use of Resources team briefed to make reference to relevant best practice where possible. The draft report on the findings from BDO’s 2015/16 audit, including their use of resources work, is on the current agenda. Action ongoing
	c) Page 10 – Opening Balances - Transport Infrastructure Assets –. The Chairman asked if there was enough resource to undertake the level of Highways activity referred to in the discussion. It was indicated that this would be looked into with relevant Highways officers outside of the meeting and reported back to a future meeting.	Sarah Heywood / Mike Atkins/ Barry Wylie	An update report is to be provided to January Committee meeting. Action ongoing.
	e) Page 13 Sustainable Finances – It was confirmed that the figure of £51m savings for 2016-17 was still accurate. The Vice-Chairman suggested that in a year’s time commentary should be included which indicated whether the Council’s risk in respect of its sustainable finances position had improved or worsened. Action.	Lisa Clampin / Sarah Heywood	This has been noted. BDO indicated as an update for the July meeting that they would be providing such context in its report for 2016/17 on the current agenda. Action ongoing

6.	MINUTE 218 - INTERNAL AUDIT ANNUAL REPORT 2015/16		
	a) It was agreed that Democratic Services should invite the Director of Learning and the Schools Finance Manager to the September meeting to set out the progress being made.	RVS contact K Grimwade / M Wade	With the agreement of the Chairman, an update report will now come forward to the November Committee Meeting to allow greater input into the final report from Internal Audit. Action ongoing
	b) Investigations in respect of anti-fraud and corruption were detailed in section 4.6 of the report. In terms of the alleged theft of cash from a library safe, officers were asked to contact the affected libraries to ensure the guidance issued was being followed.	M Kelly	An e-mail was sent to the Chairman in August stating: Both libraries have been contacted by Internal Audit's Counter Fraud Team and it has been confirmed that the two high priority suggested measures have been implemented (moving from a keybox & safe system to using a combination lock for the safe where only the relevant staff know the code and nothing is written down; in the other case, replacing a keypad entry system as the numbers of the keypad had discoloured where they were being pressed repeatedly – this has been replaced for a hardwearing plastic keypad which will not suffer discolouration). As an update on 8 th September, Internal Audit have indicated that the recommendation regarding updating the till in use has not yet been implemented, but this is considered a lower priority action. Internal Audit have reminded the Library of this recommendation again. Action ongoing
	c) In terms of the second from last investigation listed in the table on page 12 ' Allegations that a dependent's pension due to a disabled service user had been paid to and used by, other family members' and the action to seek repayment of the funds, the Chairman asked that an update be provided in due course.	M Kelly	This was a complex case and it was decided not to seek a lump sum repayment to the service user. An informal repayment system was agreed to be the best option, and this has been implemented. The pension is

			<p>now being paid to the service user correctly on a monthly basis.</p> <p>Action completed.</p>
	<p>d) Section 5 of the report set out the detail of the Internal Audit performance and quality assurance, with table 5 detailing Internal Audit Resources input in days in the specific areas of audit review.</p> <p>There was a request to ensure that where good practice had been identified in schools, this should be shared with other schools head-teachers' and governors.</p>	<p>M Kelly</p>	<p>An update at the July meeting indicated that this was standard practice as part of the normal schools audit approach. There was a request that some evidence should be provided.</p> <p>In an email to the Chairman dated 1st September Mairead Kelly reported that:</p> <p>“We generally share this (<i>good practice</i>) either informally on the day, or as part of the school’s report. For instance, one example of good practice which we found in some schools during our previous round of Schools Financial Risks audits was that some schools use a ‘grid stamp’ on invoices, which reminds them to clearly evidence the separation of duties between the person putting in an order/approving/goods receipting. We suggested that schools adopt this approach where there is some inconsistency in their approach to this – an example would be Ely St Johns school, which received good assurance overall but we felt would benefit from a grid stamp.</p> <p>We also share good practice by working with schools and colleagues in Learning and Education Finance to identify schools’ needs and how best to address them and keep them informed of what good practice looks like. For instance, I’m currently working with the Education Advisors and Safeguarding team to produce a ‘self assessment toolkit’ to allow schools to run their own checks on their Safer Recruitment processes,</p>

			<p>which is based on our audit work programme. This includes information on the 'good practice' approach against every check. We'll bring much more information on this and other ongoing work to the November meeting with our Safer Recruitment report."</p> <p>Action completed.</p>
7.	MINUTE 222 - INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR PERIOD ENDING 31ST MARCH 2016		
	<p>a) Page 207 - 8. Balance Sheet showing the level of debt outstanding for owed to the Council for both 4-6 months and greater than 6 months had increased. While it was explained that these were mainly in relation to adult social care (ASC) and were being looked at urgently the Chairman requested a more detailed written explanation outside of the meeting.</p>	C Malyon / S Heywood	<p>Sarah Heywood the Strategic Finance Manager Finance LGSS sent an e-mail to the Chairman on 24th August attaching a spreadsheet detailing the outstanding debt by Service and service type.</p> <p>In the e-mail it was explained that additional resources had been put into ASC debt for the last couple of months and there has been a downward trend in particular on the 4-6 month debt since it peaked in May 2016. It was acknowledged that there was further work to do on the 6 month+ debt but the figures attached to the spreadsheet on the email did not show how much of this debt was being progressed in other ways i.e. collection agent, probate, letter before action. It was explained that aged debt was more difficult to collect so the strategy employed was to work on the debt at an earlier stage to avoid it becoming aged in the first place balanced against the need to continue working on the existing aged debt.</p> <p>Action completed</p>

ACTIONS ARISING FROM THE MINUTES OF THE JULY 2016 COMMITTEE MEETING			
8.	MINUTE 226. MINUTES		
	<p>Minute 213 ‘Systems in place to ensure that Section 106 Funds do not go unspent’ and the resolution reading: “That in noting the report it should be placed on record that the unanimous view of the Audit and Accounts Committee was to recommend that <u>where</u> Section 106 monies could not be applied against relevant expenditure by the deadline in the agreement, the County Council should ensure the developer was informed in due course”</p> <p>The Chairman had not been satisfied that the action had been passed on to relevant officers and requested that evidence was provided that officers had been notified and were actioning the Committee’s request.</p>	S Heywood	<p>An e-mail was sent by Sarah Heywood to the Chairman on 7th September with details of schemes where monies had not been spent, with it being explained that all outstanding unused S106 funds had been reviewed and the outcomes were either-</p> <ul style="list-style-type: none"> • Funds having been applied against applicable expenditures, • Discussions were taking place with the respective developer as to alternative possible uses for the funds, and if agreement was not possible the funds will be repaid. <p>The Committee is asked to endorse the above approach to dealing with unused Section 106 Funds.</p>
9.	MINUTE 227. WORKFORCE STRATEGY		
	<p>The Committee Chairman expressed his interest in being provided with more information on trends in recruitment outside of the meeting and whether there was evidence to show that for high volume posts such as social workers and support staff, there had been a reduction in the number of applications for posts over a period, as a result of a perceived negative view of Local Government as a desirable place to work.</p>	Chairman to liaise with Janet Maulder	<p>The Chairman met with Janet Maulder on 9th September.</p>

10.	MINUTE 228. CAMBRIDGESHIRE COUNTY COUNCIL PENSION FUND – PLANNING REPORT TO THE AUDIT AND ACCOUNTS COMMITTEE AUDIT FOR THE YEAR ENDING 31ST MARCH 2016 FROM EXTERNAL AUDITORS BDO		
	a) Page 9 – Fair Value of Investments (Cambridgeshire and Counties Bank) –the Chairman queried how the External Auditors would ensure the accuracy of unquoted investments in the Bank. He asked for more detail regarding the text reading “The investment in the bank is unquoted and is valued by an external valuer appointed to the Fund” and whether there were external market comparators. Action: e-mail clarification outside of meeting	Barry Pryke Manager / Public Sector Assurance	An e-mail was sent on behalf of Barry Pryke from Democratic Services on 8 th September providing details of the valuation based approach undertaken by Grant Thornton. Action Completed
	b) Page 11 Investment Management Expenses – Regarding CIPFA guidance on presenting a clear, combined figure for charges in the fund accounts, it was clarified by Richard Perry (Pension Services Financial Manager LGSS - Pensions Investments) that it had not been mandatory for the 2015-16 accounts. The intention was to obtain the 2015-16 data for use as a comparator for implementation in next years’ accounts. There was a request that the note on page 11 should be updated to reflect the proposed treatment.	B Pryke	Barry Pryke has confirmed that BDO would reflect this in the treatment proposed by the Pension Fund in their ISA 260 report to be included on the current agenda. Action Completed
11.	MINUTE 229. DRAFT STATEMENT OF ACCOUNTS		
	a) Page 6 – it was suggested making reference to roads and bridges would make the text more intelligible to the public	I Jenkins	A reference to Roads and Buildings has been added to the narrative in the Capital Adjustment Accounts disclosure note. (Note 23 of the Accounts).
	b) Page 7 it was suggested that there was too much detail in the first paragraph and suggested some of text could be in shown in the notes. The reference to ‘May’ should include the year.	I Jenkins	Amended to ‘May 2016’.

	c) Page 8 queried use of the word “revised” and whether “adjusted” was a more appropriate word.	I Jenkins	This amendment has been made.
	c) Page 10 Reserves – Background note for Chairman requested on comparative figures of other Counties.	I Jenkins	To follow.
	d) Page 11 – commented that the use of a floating column chart was challenging to read.	I Jenkins	Chart has been replaced by a table in the final Statement of Accounts.
	e) Page 13 - Littleport Community College – requested the text be edited. Word ‘collocating’ should be reviewed.	I Jenkins	This paragraph has been reworded.
	f) Page 15 – requested that the bullets under Cambridge City Deal should be checked in terms of the order shown.	I Jenkins	This list isn’t in order of sequence- it comes from the City Deal information as is published elsewhere, so kept the same for consistency
	g) Page 17 - assistive technology reference required explanation	I Jenkins	Definition has been added.
	h) On the Financial Statements pages comments / clarifications given included:		
	i) Page 24 - Movement in Reserves Statement – error highlighted requiring correction reading ‘Transfers <u>from</u> earmarked reserves (note 8) should read ‘Transfers <u>to</u>’	I Jenkins	This amendment has been made.
	j) Page 25 - Change of £80m from 2014-15 to 2015-16 on Education and Children’s Services Line - The Vice Chairman suggested that this should have an explanatory note provided.	I Jenkins	Explanation of this movement is included in the covering report being presented to the September committee alongside the final Accounts.
	k) Page 26 - Long Term Liabilities there was a missing figure - required a note of explanation on what they included.	I Jenkins	A disclosure note has now been added to the Accounts for Long Term Liabilities

	l) Page 31 - Property, Plant and Equipment – Last paragraph on the page under the heading ‘Measurement’ – making reference to valuations, required updating to the text.	I Jenkins	This paragraph has been removed as it is not required to be included within the Accounting Policies. Information on valuations is included within the Property, Plant & Equipment disclosure note within the Accounts.
	m) Page 33 - Under Heading “Application of Fair Values Hierarchy” and the third paragraph reading “In estimating the fair value of the Council’s investment and surplus properties, the highest and best use is their current use. Since the date of valuations, the Council has no information of any material change in value and therefore the valuations have not been updated” The Chairman queried whether the EU referendum should be considered a material change and asked officers to look at this wording again.	I Jenkins	A paragraph on the EU Referendum Result has been added to the Events After the Balance Sheet Date disclosure (Note 5) within the Accounts.
	n) page 34 – Second bullet - the Chairman queried whether the wording reading ‘Vehicles Plant Furniture and equipment (all of these only related to PFI Schemes’ was correct, as it appeared to be suggesting that the County Council did not have any vehicles other than those in Private Finance Initiative (PFI) schemes. In response it was confirmed that only vehicles, plant, furniture and equipment in respect of PFI schemes was capitalised on the Council’s balance sheet, in line with the accounting policy. It was suggested that the wording needed to be looked at again, as if only a subset was being shown, this required to be made clear.	I Jenkins	This has been reworded.
	o) Page 35 – Non- Current Assets held for sale The Chairman had a concern regarding whether some of these could be heritage assets, citing an example of a work of art in Northampton that had been sold amidst some controversy.		Following discussion with the external auditors this section of the Accounting Policies has been removed as it is not material.

	<p>p) Page 37 – Investment Properties - The Chairman requested clarification of what these were and where they were shown on the balance sheet. It was explained that this was Castle Court and that there were no other investment properties on the balance sheet. It was requested that a note to this affect should be added. Action</p>	<p>I Jenkins</p>	<p>The accounting treatment for Castle Court has been amended. It is now classified as a long term lease and not as an investment property. The covering report presented to the September Committee will set this out in more detail.</p>
	<p>q) Page 38 – the continuing text from page 37 on what was the first paragraph at the top of the page required clarification / re-writing as the Chairman did not understand what it was saying. Action: The officers undertook to provide an explanatory note.</p>	<p>I Jenkins</p>	<p>To follow</p>
	<p>r) Page 42 - Finance leases - 3rd para reading “however in the case of academy schools the Council does not recognise a long term debtor on the Balance Sheet. This is because the assets are transferred as 125 year leases which is deemed too long to be certain of any receivable value at the end of the lease period” A question raised was what would happen if the Academy sold the school site. In response it was explained that this would require its accounting treatment to be re-assessed. The Chairman asked the officer to consider whether a note was needed.</p>	<p>I Jenkins</p>	<p>Academy assets are not included on the Council’s balance sheet as they have been transferred as long term leases. However the underlying ownership of the Assets remains with the Council, and they will transfer back to the Council at the end of the lease. Therefore the sites cannot be sold during this period.</p>
	<p>s) Page 42 - In a further question a Member asked if there were any clauses on the transfer of schools to academies to prevent them selling the assets. The officer indicated he would respond in an e-mail outside of the meeting.</p>	<p>I Jenkins</p>	<p>See comments above.</p>
	<p>t) page 48 - Value Added Tax second line reading “...and all VAT paid is recoverable...” following a query on whether the Council paid any VAT and on being told it does on services it provides, there was a request to consider whether a clarification note was required</p>	<p>I Jenkins</p>	<p>The wording of this accounting policy is considered appropriate.</p>

	<p>u) Page 50 - final sentence in first para reading “The subsequent loss that this accounting treatment creates is expensed through the Comprehensive Income and Expenditure statement and financed as Revenue Expenditure Funded as Capital Under Statute” required to be re-written to provide greater clarity.</p>	<p>I Jenkins</p>	<p>This has been reworded.</p>
	<p>v) On same page (50) the right hand text in the box under the heading ‘Effect if Actual Results Differ from Assumptions’ to be re-written to explain how the Council assets increase was calculated.</p>	<p>I Jenkins</p>	<p>This has been reworded.</p>
	<p>w) Page 53 – to consider whether the note under the title ‘Schools converting to Academy status ‘ was required</p>	<p>I Jenkins</p>	<p>The figures within this note are material, so this disclosure has been retained.</p>
	<p>Page 57 under 9 ‘Operating Expenditure’ in answer to a request on what the two lines represented, it was explained that the line ‘Losses on the disposal of non-current assets’ included academies while ‘Levies’ included amounts paid to the Environment Agency for flood defences.</p>		
	<p>x) Page 60 In the first para under Capital Commitments - whether the rounding up should be £67m rather than £68m</p>	<p>I Jenkins</p>	<p>This has been amended.</p>
	<p>y) Page 62 second para first line reading ‘the chains of office of the Chairman...’ should have after it the words “ / chairwoman”</p>		<p>Amended to ‘Chairperson’</p>
	<p>z) Page 63 – 15 Financial Statements line reading ‘Receivables’ - the Chairman asked what the definition of non-receivables was and whether Private Finance Initiative (PFI) credits should be included. It was explained that PFI Credits were not classed as Long term receivables in terms of the Accounts. The Chairman asked to be informed where PFI credits were included in the Accounts.</p>	<p>I Jenkins</p>	<p>PFI credits are shown within the Grant Income disclosure (Note 31) and also within the PFI disclosure (Note 35).</p>

	2a) Page 65 – in response to a question it was explained that the missing numbers in the table in the notes were both zero. It was suggested the table was not needed.	I Jenkins	Included for completeness. Whilst no Certificates of Deposits were held at the balance sheet date, some were held during the 2015-16 financial year.
	2b) Page 67 – 17. Investment Properties – query on why there was no figure in 2014-15.	I Jenkins	This figure for 2014-15 is nil. The Council had no Investment Properties on its balance sheet in 2014-15, so there was no rental income.
	2c) Page 69 – first entry in table - reference to rack rents – agreed this wording should be changed to a more recognisable description and whether all the descriptions were required.	I Jenkins	Amended to ‘market rents’
	2d) Page 70 – With reference to the provision of £1m to assist the implementation of the operating model, more details on what the monies could be spent on to be provided outside of the meeting.	I Jenkins	To follow. Please note that following review during the audit, it was deemed more appropriate that this was held within earmarked reserves rather than provisions. It has been adjusted accordingly in the final Accounts.
	2e) page 76 – heading needed at top of table.	I Jenkins	Heading has been added.
	2f) Page 76 - Financial Instruments Adjustment Account – query regarding figures being the same on the two text lines.	I Jenkins	Line was duplicated in error. This disclosure has been removed from the final Accounts as it is not material.
	2g) Page 77 – Pensions Reserve –, the Chairman requested a more detailed note outside of the meeting on what factors the actuary had used to arrive at the final discount rate figure.	R Perry	At the time of producing this update (9 th September) Currently still to be provided Action ongoing
	2h) Page 83 - Grafham Water Centre - with respect to the £49k deficit shown and the Chairman asking what measures would be taken to address it, it was explained that expenditure would need to	RVS to contact K Grimwade	It had been agreed with the Chairman that this update would be part of the Trading Units update now coming forward to the November meeting.

	be reduced. There was a request for Keith Grimwade to provide the details at the September Committee.		Action ongoing
	2i) Page 93 sub-totals required in table	I Jenkins	This has been amended.
	2j) Page 97 Street Lighting PFI – The Chairman suggested that the text reading “...with the cost of the maintenance being funded from the Council’s revenue allocations...” was inaccurate and another word should be found to replace the word “maintenance”	I Jenkins	Amended to ‘service fee’.
	2k) Page 101 - The Chairman queried whether the text from and including the text in bullet point two down to the next title reading ‘Discretionary post-retirement benefits’ could be deleted. Officers agreed to look at this further.	I Jenkins	This narrative has been retained as this information may be useful to readers of the Accounts.
	2l) Page 102 – Title of table ‘LGPS’ to be put in full and consideration given to the presentation of the figures being made clearer.	I Jenkins	This has been amended.
	2m) Page 108 – Property Searches – Request for an explanatory note to be produced.	I Jenkins	To follow
	2n) Page 109 – Text in 4th paragraph from the bottom of the page reading “The Authority’s maximum exposure to credit risk in relation to investments of £10.1 million cannot be assessed generally..... “ 2o) More explanation required. 	I Jenkins	To follow
	2p) Page 110 – PWLB to be spelt out in full.	I Jenkins	This has been amended.

	2q) On outstanding invoices, while the figure for those less than three months had improved substantially from the previous year, there was a request for more detail to be provided, accepting that some would be very small amounts.	S Heywood	<p>A response was sent to the Chairman on 24th August indicating that:</p> <ul style="list-style-type: none"> • The outstanding invoices due but not impaired (Page 110 of Statement of Accounts) is not comparing like with like as the 31-Mar-15 published figure included pensions whereas the 31-Mar-16 figure does not include pensions. However, if pensions are included for both, there is still a significant reduction in “Less than 3 months” from the published March 15 figure (£37,515K) to the March 16 figure (£18,088K). • The attached spreadsheet provided to the Chairman showed the breakdown of debt into the different debt categories and different services. Of the £18,088k at the end of March 2016, £14.1m was current (not overdue debt), £2.26m was between 1 and 30 days, and £1.07m was between 31-60days. • The high debt figure at March 2015 could partly be due to the change in debt arrangements at that time, when the previous Income manager left and the debt team came together across Northamptonshire and Cambridgeshire.
	2r) Page 111 LOBO to be spelt in full.	I Jenkins	This has been amended.
12.	PENSION FUND		
	a) Page 130 – under the paragraph headed Private Equity and infrastructure assets’ in the right hand column in the first	R Perry	Corrected.

	sentence the figure required to be corrected from £177.9m to £164.4m.		
	b) Page 130 – Under the text on Cambridge and Counties Bank, it was suggested that there was a word missing in the second from last line in the left hand column. Action.	R Perry	Corrected.
	c) Page 135 – as the figures in the table did not add up across the mid-table and there were blank areas, the Chairman queried the layout. It was explained this was a CIPFA requirement for the Accounts. Action: It was agreed that another line with a heading would be added and if necessary some explanatory text included.	R Perry	The format of the table has been amended in agreement with the auditors. Action completed
	d) A query was raised regarding different investment asset values on page 120 (£212,688) page 136 and page 137 (£2,243,611) Action: An explanatory note was required and it was agreed that a sub-heading should be put under the figure of £1,006k on page 120 and elsewhere where clarity was needed.	R Perry	A new sub-total for Net Investment Assets has been introduced to the Net Asset Statement (page 120) to ensure that this is easily agreed to Note 15. Action completed
	e) Page 144 – Queried in the para titled - Other Price Risk – sensitivity analysis whether the date in the third line reading “the following movements in market price risk are reasonably possible for the 2015-16 reporting period should be “2016-17 reporting period”. It was explained that this looked at historical fluctuations which was why it referred to 2015/16. Action: The Chairman asked that the word “possible” should be reviewed for accuracy.	R Perry	The text has been amended to state:-“ that the following movements in market price risk would have reasonably been possible for the 2015-16 reporting period.” Action completed
	f) Page 152 c) Family details – query on whether the reference to marriages included civil partnerships. Action: There was a request to ask the Actuary to tighten up the wording.	R Perry	An e-mail was sent to the Actuary on 19 th August 2016 and a response on 6 th September indicated that

			the Actuary has confirmed that the change will be made in the 2016 valuation report. Action completed
13.	MINUTE 233. INTERNAL AUDIT PROGRESS REPORT TO 31ST MAY 2016		
	a) The Chairman suggesting that it was not necessary to include paragraphs 1.1 to 1.3 each time.	M Kelly	This has been taken out of the report on the current agenda. Action completed
	b) Completed audit – C1 Domiciliary Care– missed short and late calls completed audit – It was agreed that an update on the implementation of the Domiciliary Care Audit should be provided in January as part of the Internal Audit Progress update report	M Kelly	Action ongoing.
	c) Para 6.3 in respect of Implementation of the Galileo audit management and, documentation and reporting system currently used in the Milton Keynes office, for which an updated version was to be rolled out to Cambridgeshire for the start of the new financial year 2017/18, the Chairman requested regular updates on progress be provided in future reports, including stepping-stone target dates.	M Kelly	An update is included in the latest Internal Audit Progress Report which includes timescales is included on the current agenda and as requested there will updates provided in subsequent update reports.
14.	MINUTE 235.AUDIT AND ACCOUNTS COMMITTEE TRAINING PROGRAMME		
	<ul style="list-style-type: none"> It was agreed to have a one-hour session on an introduction to Finance, including details of 114 notices, to be held for an hour before the September Committee from 12.30 to 1.30 p.m. 	Sarah Heywood	The session has been arranged to take place in Room 128 12.30 -1.30.

15.	MINUTE 236. DRAFT LGSS STATEMENT OF ACCOUNTS 2015-16		
	<p>Questions raised included:</p> <ul style="list-style-type: none"> • What risk plan was in place should partners leave? 		<p>Partners leaving LGSS is managed via the partnership agreement each signs. A full scale withdrawal would be dependent upon the reason to some extent however the formal notice required is 12-18 months. The risks would thus be managed over that period allowing for their proper, full consideration.</p> <p>Action completed</p>
	<ul style="list-style-type: none"> • The Chairman highlighted that there were multiple references to redundancy reserves in the report and asked whether taking on a new partner gave a further opportunity to reduce headcounts and as this had already been undertaken in Cambridgeshire County Council (CCC) and Northamptonshire County Council (NCC), he asked what contribution Milton Keynes Council (MKC) would be bringing in terms of monies to contribute to possible further redundancies. 		<p>A response was sent to the Chairman dated 30th July reading:</p> <p>At the Committee you asked whether 15/16 savings were baked into budgets prior to MKC joining LGSS (as with CCC and NCC) and whether LGSS (and thus CCC) would pay for MKC redundancy costs.</p> <p>I've checked with Matt Bowmer, Chris Malyon and Tim Hannam. The consensus is:</p> <p>The accounts reviewed were 2015/16 and therefore did not contain any MKC funds.</p> <p>From 16/17 onwards the majority of savings will be on a shared basis – so if there is a redundancy that occurs and doesn't 'wash its own face' in the financial year, all partners contribute in relation to the agreed benefit share.</p>

			<p>A review of the reserves within LGSS will come to some agreement on MKC's share. There is no intention to lay claim to anything that was LGSS funds before MKC joined.</p> <p>Put simply, MKC costs will not be defrayed from LGSS reserves as at 31st March 2016. Future costs and savings are shared in accordance with the partnership agreement going forward.</p>
	The Chairman asked the Internal Head of Audit to provide an update on the questions raised outside of the meeting.	Duncan Wilkinson	Action completed as set out above.
16.	MINUTE 237. AUDIT AND ACCOUNTS COMMITTEE ACTION LOG FROM MINUTES		
	a) Minute 213 titled 'Systems in place to ensure that Section 106 Funds do not go unspent' this had been referred to earlier when agreeing the minutes with an update being requested regarding the issue of returning unspent monies to developers.	S. Heywood/ C. Malyon/ P.Van De Bulk	See the response at Item 10.
	b) Action 2 - Minute 170 Internal Audit Progress Report, Whistle Blowing poster – An update to be provided as part of the September Internal Audit Progress Report.	M Kelly	
	c) Action 7 - BDO External Audit Planning Report etc - action on concerns expressed by the Chairman at the previous meeting on whether there were enough resources to undertake the level of highways work - there was a request to provide more detail outside of the meeting.	S Heywood	<p>A report is to be presented to the November meeting.</p> <p>Action ongoing</p>

	d) In respect of the new Committee Management System which had gone live on 14th June, there was a request that Internal Audit should provide a progress update as part of the January CLEC report update.	M Kelly	Action ongoing
	e) Action 9 Review of LGSS Internal Audit Compliance with the Public Sector Internal Audit Standards – on the addition made to the wording on page 7 of adding “or his deputy” this should be changed to “or his / her deputy”	M Kelly	Has been actioned. Action completed
	F) Action 10 - Minute 218 Internal Audit Report Officers to contact affected libraries to ensure the guidance issues were being followed. - The Chairman requested a copy of the email / action taken.	M Kelly	See 6b) earlier on this Log.
	The request to ensure that where good practice had been identified in schools it was shared with other schools - and having been informed in the response this was standard practice, the Chairman requested a copy of an email / letter as an example.	M Kelly	See 6d) earlier on the Log.
	Action 12 Minute 222 Integrated Resources and Performance Report – in respect of the action from the previous meeting for a more detailed written explanation of the breakdown of the level of debt outstanding owed to the Council for both 4-6 Months and greater than 6 months, this was due to be circulated shortly.	S Heywood	See 7a) earlier on this log.
17.	MINUTE 238. DRAFT AGENDA PLAN		
	The Chairman requested a note outside of the meeting on how the finance and accounts reports would be actioned, bearing in	S Heywood / I Jenkins	A report was sent to the Chairman on 7 th September and has been included as an item on the current agenda.

	mind the earlier timescales involved. It was clarified that from 2017-18 the Accounts would be required to be signed off in July.		