

CIVIC AFFAIRS

25 July 2018
5.35 - 6.40 pm

Present: Councillors McPherson (Chair), Benstead (Vice-Chair), Dalzell, Gawthrope, Martinelli and Robertson

Officers:

Chief Executive: Antoinette Jackson

Head of Finance: Caroline Ryba

Head of Shared Internal Audit Service: Jonathan Tully

Principal Accountant (Technical & Financial Accounting): Charity Main

Committee Manager: James Goddard

Others Present:

Ernst & Young Senior Manager: Hayley Clark

Independent Person: Rob Bennett

FOR THE INFORMATION OF THE COUNCIL

18/37/Civ Apologies

Apologies were received from Councillor O'Connell. Councillor Martinelli attended as an alternate.

18/38/Civ Declarations of Interest

Item	Councillor	Interest
18/44/Civ	Benstead	Personal: Council appointed Trustee of Cambridge Live

18/39/Civ Minutes

The minutes of the meetings held on 14 and 24 May 2018 were approved as correct records and signed by the Chair.

18/40/Civ Public Questions

There were no public questions.

18/41/Civ Officer Delegated Decision***18/41/Civa To implement the Joint Negotiating Committee for Chief Executives of Local Authorities Pay Award for 2018-20***

The decision was noted.

18/42/Civ Annual Head of Internal Audit Opinion

The Committee received a report from the Head of Shared Internal Audit Service regarding his opinion on the overall adequacy and effectiveness of the organisation's internal control environment, governance, and the risk management framework.

The Head of Shared Internal Audit Service said the following in response to Members' questions:

- i. An analytical review of IT equipment and insurance records identified some variances. Recommendations were made to review and update the asset list.
- ii. The IT register was up to date, the insurance register needed to be updated to ensure there were no discrepancies as details were originally held on two systems.

The committee reviewed and noted the annual opinion of the Head of Shared Internal Audit.

18/43/Civ Annual Governance Statement and Local Code of Corporate Governance

The Committee received a report from the Head of Shared Internal Audit Service which provided:

- An update on the progress of actions identified in the previous year.
- Reported the annual review of effectiveness and any new governance issues.
- Provided an update of the Local Code of Corporate Governance.

In response to Members' questions:

- i. The Head of Shared Internal Audit Service said the report was written in-line with Chartered Institute of Public Finance and Accountancy guidance. It also included the statement of accounts.
- ii. The Chief Executive said officers were keeping a watching brief on what Brexit meant to the council.
 - a. The Local Government Association was collating risks to councils across the country including what would require urgent action.

There would be a time lag after Brexit before Central Government would have details in place to replace European Law.

- b. There were a number of risks for the council to review as Brexit arrangements progressed. These included, the impact on business and the city's economy, how this might impact on business rates; and whether the council would lose staff who were EU nationals or have difficulty recruiting to some roles in future.

The Chair decided that the recommendations highlighted in the Officer's report should be voted on and recorded separately.

Members of the committee **unanimously approved** the Annual Governance Statement (AGS) in advance of the Statement of Accounts.

Members noted the:

- Arrangements for compiling, reporting on and signing the AGS.
- Progress made on issues reported in the previous year.
- Current review of effectiveness.
- Issues considered for inclusion in the current AGS.

Members **unanimously noted and endorsed** the amendments to the updated Local Code of Corporate Governance.

18/44/Civ Statement of Accounts 2017-18

The Committee received a report from the Principal Accountant. Before giving their formal opinion of the accounts there was a requirement for Ernst & Young to present their audit findings and obtain a letter of management representation signed by both the Head of Finance and a member on behalf of 'those charged with governance.' Under the Council's Constitution, this responsibility rested with the Civic Affairs Committee.

The Principal Accountant updated her report to say:

- i. Figures listed in "Group Comprehensive Income and Expenditure Statement" on P191 of the agenda were mislabelled. Details were corrected in the statement of accounts awaiting sign off.
- ii. P85. On 10 July, BDO (the external auditors of the Cambridgeshire Local Government Pension Scheme), informed Ernst & Young of a material difference between the estimate of the assets of the scheme used by the actuary in the reports given to Cambridgeshire councils to use for their year end accounts and the actual year end position. Councils across the

country were in a similar position. The City Council's assets had increased by £2.8m between the estimate and actual figure.

The Senior Manager (Ernst & Young) guided Civic Affairs Committee through the executive summary set out on P234 of the agenda.

The Senior Manager said in response to questions from Members and the Independent Person:

- i. Clarified agenda P249 "*The proportion of the land being developed for market housing has been treated as a disposal as the land transfers to the owner on purchase of a property.*" When houses were sold, land would transfer from the Cambridge Investment Partnership to the new property owners.
- ii. There were no issues with pension valuations and disclosures (agenda P247).
- iii. The capital assets portfolio would be reviewed in full each year in future. This was not needed previously. There were no issues with the portfolio currently.

In response to Members' questions the Principal Accountant said:

- i. For accounting purposes, the Council had significant influence over Cambridge Live through its 'associate' status.
- ii. Storeys Field Charitable Trust had not been consolidated in the group accounts as it was not material because they were too small. Officers planned to review this in 2018/19. It was not an issue.

Councillors asked the minutes to record the Committee's thanks to Officers from the City Council and Ernst & Young, who ensured the accounts were prepared early, as Central Government brought the deadline forward. A complex close down was completed.

The Committee received the audit findings presented by Ernst & Young.

The Committee **approved (by 5 votes to 0)** the Statement of Accounts for the year ending 31 March 2018.

Councillor Benstead did not vote on this item.

The Chair of the meeting was authorised to sign the Letter of Representation and Statement of Accounts for the financial year ending 31 March 2018 on behalf of the Council.

18/45/Civ Annual Report on Counter Fraud and Corruption

The Committee received a report from Head of Shared Internal Audit Service regarding the annual report on the Prevention of Fraud and Corruption Policy.

(Ref agenda P293 item 3.5) The Head of Shared Internal Audit Service undertook to liaise with the Fraud Prevention Team Leader to ascertain if further council properties could be made available or further savings achieved through fraud prevention; then respond to the Executive Councillor for Finance and Resources.

The Executive Councillor asked for trend information to be included in future reports. The Chief Executive gave the following figures from the previous year for comparison:

- 67 inappropriate Council Tax discounts or exemptions had been removed.
- Investigations conducted under the Prevention of Social Housing Fraud Act resulted in 13 Council owned properties being made available for genuine tenants.
- 8 people were sanctioned for Council Tax Reduction, Discount or Social Housing fraud.

The Executive Councillor for Finance and Resources asked for the Officer's recommendation to be amended to correct typographical errors.

The committee noted the details of fraud / whistle-blowing activity provided for the period ~~1 April 2016 – 31 March 2017~~ **1 April 2017 – 31 March 2018** in section 3 of the Officer's report.

The Committee **unanimously agreed** the correction.

The Committee noted the details of fraud / whistle-blowing activity provided for the period 1 April 2017 – 31 March 2018 in section 3 of the Officer's report.

18/46/Civ Internal Audit - Quality Assurance and Improvement Programme

The Committee received a report from the Head of Shared Internal Audit Service. The Internal Audit Team has been externally assessed as generally conforming with the Public Sector Internal Audit Standards and the accompanying Local Government Application Note.

The Head of Shared Internal Audit Service said the following in response to Members' questions:

- i. Undertook to review good practice (eg using the Chartered Institute of Public Finance and Accountancy guidance) and bring this back to committee to improve its work.
- ii. Internal customer feedback sessions had waned over time but had now been re-introduced. These occurred on an annual basis as they were resource intensive.

The committee noted that the Internal Audit team had completed the Quality Assurance and Improvement Programme as required by the Public Sector Internal Audit Standards.

18/47/Civ Review of Elections 3 May 2018

The Committee received a report from the Chief Executive.

The Committee made the following comments in response to the report:

- i. Expressed concern that the Panton Street Polling Station was unfit for purpose as it was not accessible when the front door was unusable as the back door opened onto a narrow street. Suggested using alternative venues in the ward such as the Centre at St Pauls, Hills Road or the or the Signal Box on Glenalmond Avenue.
- ii. Polling station staff did not always pass on turn-out figures to candidates. Requested staff were briefed so they knew this should be actioned upon request.
- iii. Referred to agenda P333 item 4.13 and took issue with the statement that no complaints had been being reported. A number of residents who lived in Walpole Road were unable to vote at Walpole Road Polling Station because of the change in pooling district boundaries.

The Chief Executive said the following in response to Members' questions:

- i. Panton Street Polling Station front doors were shut due to building work.
- ii. Other venues could be asked if they were willing to act as polling stations, but they were not always willing to do so. This made it difficult to find accessible buildings.
- iii. The Chief Executive could exercise discretion on whether to provide turn out figures or not at polling stations. She had instructed Poll Clerks to pass on this information in the last election. This issue would be addressed in Presiding Officer training.
- iv. She was aware about the concerns in Walpole Road and agreed this should be reviewed in future.

The Committee noted the Officer's report and provided the feedback noted above to the Returning Officer on issues it would like to be considered in the management of future polls.

The meeting ended at 6.40 pm

CHAIR