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Civic Affairs and Audit Committee Civ/1

Monday, 23 February 2026

CIVIC AFFAIRS AND AUDIT COMMITTEE

23 February 2026

5.30 - 7.15 pm

Present: Councillors McPherson (Chair), Gawthrop Wood (Vice-Chair), Bennett, Dalzell, Robertson and Sheil

Also present: Councillor Ashton.

Officers:

Chief Finance Officer: Jody Etherington

Chief Operating Officer: Jane Wilson

Chief Audit Executive: Jonathan Tully

Head of Finance: Matthew Fernandez-Graham

Democratic Services Manager: Dan Kalley

Democratic Services Officer: Sarah Michael

Meeting Producer: James Goddard

Others Present:

EY Audit Partner: Mark Hodgson

EY Audit Manager: Claire Sulam

FOR THE INFORMATION OF THE COUNCIL

26/1/Civ Apologies

Apologies were received from Cllr Bick.

26/2/Civ Declarations of Interest

Item	Councillor	Interest
26/7/Civ	Cllr McPherson	Personal: A member of the 104 Squadron SAF Air Cadets Management Team Discretion unfettered

26/3/Civ Minutes

The minutes of the meeting held on 17 November 2025 were approved as a correct record and signed by the Chair.

26/4/Civ Public Questions

There were no public questions.

26/5/Civ Annual Governance Statement 2024/25

The Committee received a report presenting the Annual Governance Statement (AGS) for 2024/2025, and the Local Code of Corporate Governance, for consideration by the Committee. The report detailed the annual review of effectiveness, provided updates on the progress from the previous year, communicated any new governance issues, and provided an update of the Local Code of Corporate Governance.

In response to members' questions, the Chief Audit Executive said:

- i. The proposed Development Corporation could be reflected in the next version of the AGS.
- ii. With regard to delays in the timing of the Statement of Accounts, backstop arrangements had been put in place to help all councils recover.
- iii. The AGS was published as draft in June 2025 and is continuously updated until final approval.
- iv. Recognised the importance of training on governance for new and existing staff members. Training was regularly promoted and officers could suggest items for inclusion in the Council's learning and development programme. Training budgets did cover external courses.
- v. There had been challenges in compiling the document with regard to the change in governance arrangements at the Council during the year. The document reflected what was in place during the year and the change to a Cabinet model had not been included in the Role and Responsibilities section. The change is included later as a significant event, as it was also captured in the Review of Effectiveness section.
- vi. The Chief Audit Executive would get back to members with specific dates of the Engagement Survey referenced in the document, but confirmed it was within 2024/25. He would also engage with the People Team for any available data on survey completions.
- vii. Updates since June 2025 were included as tracked changes in the report for members. A final version without the tracking would be uploaded to the Council's website.

- viii. There was an opportunity in the lead up to the next AGS to review how the effectiveness of partnerships with Cambridge Investment Partnership and The Cambridge City Housing Company is best captured in the document.
- ix. Clarified that Cambridge Live was included as it was dormant in the last set of accounts but had now been fully dissolved.

Resolved (unanimously) to:

- i. Approve the Annual Governance Statement (AGS) in advance of the Statement of Accounts.
- ii. Note the arrangements for compiling, reporting on and approving the AGS; and the review of effectiveness.
- iii. Note the amendments to the updated Local Code of Corporate Governance.

26/6/Civ Statement of Accounts 2024/25

The committee received a report from the Head of Finance regarding the external audit conclusions and approval of the statement of accounts.

In response to members' questions the Chief Finance Officer, Head of Finance and a Director from EY said the following:

- i. The National Audit Office (NAO) indicative target date for an Unqualified Opinion was 2026/27, however this may extend to 2028/29. The NAO timetable was based on a Council whose assurance buildback began in 2023/24, but audit work actually began a year later, so the Council had always been a year behind. The Council was committed to do everything possible in working with auditors to achieve the unqualified opinion in 2027/28.
- ii. Addressing concerns about the impact of Local Government Reorganisation (LGR) on the team's workload, the Chief Finance Officer confirmed that £2.5million had been allocated to LGR costs in the draft budget which would be taken to Full Council on 26 February 2026 and that a proportion of this would be used to bring in resource to focus on LGR or to backfill for permanent staff.
- iii. Controls were in place over the journals to allow the accounts to be produced, but it had been difficult to submit evidence on sample transactions in the format required by the auditors within the required timeframes.

- iv. Statutory recommendations under Schedule 7 had been considered, but the Council was on a journey of improvement and the increasing strength of the finance team could lead to the removal of consideration of recommendations in future.
- v. The Head of Finance would investigate a query regarding the number of houses listed on page 100 of the report and would get back to members.
- vi. Information relating to the buying out of leaseholders would be shown within the narrative report under the relevant portfolio holder.
- vii. With regard to comparisons with other authorities, EY plan to produce a report once analysis of sets of audits had taken place, however delays did start around Covid-19 and they exist on both sides of the audit spectrum. Cambridge City Council was not alone in this journey.
- viii. Officers confirmed sector-wide issues around audit backlog and that EY had rated preparation of accounts and quality of accounts as green, however acknowledged that some of the audit readiness was not where officers would like it to be.
- ix. The WGA assurance statement would be submitted to the NAO; however the NAO could request additional procedures to be performed on the consolidation schedule, which is why the audit could not be formally closed.
- x. The 'right of use' assets related to situations where the Council had leased assets over a period of more than 12 months, therefore a valuation of the assets must be included on the balance sheet. This was the first year of inclusion of this accounting standard.
- xi. The report is considered by Civic Affairs and Audit Committee before Cabinet as it is the responsible committee for governance of the audit process. Acknowledged tight timeframes to get this report to Committee in time to meet backstop date. In future, officers could provide more regular updates throughout the year and keep the Committee informed on the process.
- xii. Officers acknowledged that it would be preferable for all authorities to achieve Unqualified Opinion status in advance of local government reorganisation and confirmed that a Finance workstream exists as part of the LGR process.

Resolved (unanimously) to:

- i. Note the contents of the EY Audit Results Report 2024/25.
- ii. Approve the Statement of Accounts for the year ended 31 March 2025, subject to any remaining amendments per recommendation.

- iii. Delegate authority to the Chief Finance Officer to approve any amendments to the Statement of Accounts arising from the remaining audit procedures, provided that these do not have a material impact on the Council's usable reserves or result in any changes to the auditor's opinion.
- iv. Authorise the Chair of the meeting to sign the Letter of Representation and the Statement of Accounts for the financial year ended 31 March 2025 on behalf of the Council.

26/7/Civ Civic Protocols and Updates

The committee received a report from the Democratic Services Manager regarding civic functions at Cambridge City Council.

Councillors made the following comments in response to the report:

- i. Noted the importance of digitising civic information that currently exists only in printed format prior to Local Government Reorganisation (LGR).
- ii. Holding the Office of Mayor was a privilege that would be difficult without a Mayoress, therefore the role of Mayoress/Consort should be officially recognised. A suggestion was made that a lapel pin be given to any Mayoress or Consort at the end of their term.
- iii. Suggested that the term 'City' should be included in the name of any future local authority for Cambridge.
- iv. There had been a strong link between the Council and No.104 (City of Cambridge) Squadron Royal Air Force Air Cadets for many years and now would be the opportune time to formally recognise this link.
- v. Would it be possible to request civic visits in future from members of the royal family and some celebrities?

The Democratic Services Manager said the following in response to Members' questions:

- i. Acknowledged member comments on the importance of recognising the contribution of the Mayoress or Mayor's Consort and agreed to bring a proposal back to committee on this, which would include clarification on backdating the recognition.
- ii. Acknowledged the uncertainty around LGR and the name of any future authority.
- iii. Confirmed that under proposal B, which the Council had submitted to government, the structural change orders would include the Mayoralty and Civic Regalia.

- iv. Explained that royal visits are the protocol of the Lord Lieutenant's Office and are tabled years in advance.
- v. Agreed that requests for special guests could be taken on a case-by-case basis, taking into account relevance to Cambridge City.

Councillor Bennett proposed an amendment to the recommendations to include that the Committee should re-affirm the Council's desire that the Mayoralty continue to exist in a new authority following LGR.

This amendment was **carried unanimously**.

Resolved (unanimously) to:

- i. Comment on the Civic functions of Cambridge City Council and provide feedback to support their current development.
- ii. Note the current flag flying protocol and provide any comment to officers.
- iii. Note that further reports on the Council's Civic functions, particularly in light of Local Government Reorganisation, will be presented to the committee at an appropriate time.
- iv. Recommend to Full Council that the City's Coat of Arms can be used by No.104 (City of Cambridge) Squadron Royal Air Force Air Cadets.
- v. Support the honouring of the Mayoress or Consort moving forward for their work in supporting the Mayor during their year in office.
- vi. Re-affirm the Council's desire that the Mayoralty continue to exist in a new authority following local government reorganisation.

26/8/Civ Work Programme

The Committee reviewed the work plan and suggested that ongoing work around statutory accounts should be added for future meetings.

The meeting ended at 7.15 pm

CHAIR

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