



East Cambridgeshire District Council

Minutes of a meeting of the Audit Committee held in the Council Chamber, The Grange, Nutholt Lane, Ely on Monday, 17 July 2023, at 4.30pm.

PRESENT

Cllr David Brown (Chairman)
Cllr Charlotte Cane
Cllr Keith Horgan
Cllr Kelli Pettit (Vice-Chairman)
Cllr Christine Whelan

OFFICERS

Ian Smith – Director Finance & S151 Officer
Tracy Couper – Democratic Services Manager & Deputy Monitoring Officer

IN ATTENDANCE

Rachel Ashley-Caunt – Head of Internal Audit (IA)
Mark Hodgson – External Audit, Ernst & Young (EY)
Jacob McHugh – External Audit, Ernst & Young (EY)

3. **PUBLIC QUESTION TIME**

No public questions were received.

4. **APOLOGIES AND SUBSTITUTIONS**

No apologies for absence were received.

5. **DECLARATIONS OF INTEREST**

No declarations of interests were made.

6. **MINUTES**

The Committee received the Minutes of the meetings held on 20 March and 25 May 2023.

It was resolved:

That the Minutes of the meetings of the Committee held on 20 March and 25 May 2023 be confirmed as a correct record and signed by the Chairman.

7. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed new and returning Members of the Committee to the first substantive meeting following the District Council Elections and stated that he was looking forward to working with them.

8. **EXTERNAL AUDIT – AUDIT RESULTS REPORT FINAL UPDATE**

The Committee considered the final update of the Annual Results Report (reference Y31 previously circulated).

Mark Hodgson, from External Auditors EY, stated that all substantive matters outstanding at the end of March had now been concluded and final closing procedures were being completed with an intended sign-off on Wednesday 19 July 2023.

Mr Hodgson reported that there had so far been no uncorrected differences and 7 material corrected differences as stated on page 7 of the Audit Results Report.

Since 20 March meeting:

- One omission of expenditure of £550K had been identified relating to a CIL receipt from Cambridgeshire County Council and this now had been correctly recorded in the accounts.
- Corrections relating to the Fixed Asset Register Transfer had been made.
- The Group Accounts had been updated to reflect receipt of audited accounts and changes to the main accounts.
- A note on Exit Packages had been included relating to a payment of £25K, but this was below the materiality threshold.

Mr Hodgson also highlighted the impact of the triennial Pensions Valuation report of £2.6M and the recommendation on authorising of Journals before positing to the General Ledger.

Therefore, Mr Hodgson anticipated giving an unqualified audit opinion as detailed in section 3 of the report. No additional assurances were required and no risks had been identified as a result of the Value for Money (VFM) Audit, resulting in an unqualified VFM conclusion.

In response to a request by the Chair, Mr Hodgson gave an update on the Audit Plan for 2022/23. He referred to the letters on this matter sent to the Council on 13 March and 30 March 2023 explaining the national position and impact upon local authority audits. Currently the national position remained that no audits would commence before 1 November 2023, but a DLUHC meeting was taking place today on the issue, which may result in a revised position. Members queried the timetable for this Council, but Mr Hodgson stated that the schedule had yet to be determined due to the national situation.

A Member expressed concern that the audit was a key assurance control for this Council and questioned how this Committee could gain alternative assurances in the absence of such a key control. They suggested that a rolling process to

examine key areas of risk, with the relevant officers responsible for those risks being invited to this Committee to explain how these were reviewed and monitored, similar to the Internal Audit approach referred to in a later agenda item, might be an appropriate alternative.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

A Member asked for further elaboration on one of their questions relating to the Letter of Representation, and the Director Finance explained that the Letter of Representation was a consistent document which was little changed over a number of years and therefore ongoing monitoring of processes/procedures by CMT took place to ensure that they correlated with the requirements of the Letter.

Councillor Cane then moved that:

The report be noted and

- The decision to produce a CIPFA Checklist for the 2022/23 Accounts be welcomed;
- It be proposed that the Council puts in documented authorisations for Journals before posting; and
- It be proposed that the Council reviews the Minimum Revenue Provision (MRP) Policy in line with the expected Statutory Guidance.

During discussion of the above Motion, the Chairman agreed to second the first 2 points but stated that the MRP issue needed to await the legislation and statutory guidance in the Autumn. The Director Finance reported that work had already commenced to address the Journals issue.

The Chairman thanked External Audit for their attendance and clear and comprehensive explanations.

It was resolved:

That the final update of the 2021/22 Audit Results Report be noted and:

- The decision to produce a CIPFA Checklist for the 2022/23 Accounts be welcomed;
- It be proposed that the Council puts in documented authorisations for Journals before posting; and
- It be proposed that the Council reviews the Minimum Revenue Provision (MRP) Policy in line with any legislation and Statutory Guidance.

9. **STATEMENT OF ACCOUNTS 2021/22**

The Committee received a report (reference Y32, previously circulated) containing the Statement of Accounts for 2021/22.

The Director Finance stated that the Accounts were the position at the point of Agenda publication and that External Audit were concluding final checks to enable sign-off on 19 July 2023, so these remained subject to change.

A Motion to accept the recommendation in the report to approve the Statement of Accounts was proposed and seconded.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

In response to a further Member question, the Director Finance gave an additional explanation of the difference between 'substance' and 'materiality', explaining that for the main tables at the start of the Statement, the materiality detailed in the Audit Results Report would be relevant, but if an adjustment greater in value was needed to a note, that this may be considered acceptable. Another Member commended the review of Street Cleansing schedules taking place which would hopefully improve quality and consistency for the local community.

A Member stated that they had struggled to understand the various iterations of the Statement of Accounts and associated Audit reports. Therefore, they suggested that this would have been assisted by a schedule to show the changes between the different versions. Because of this, they would be abstaining on the vote on the Accounts, which reflected their difficulty to fully understand rather than any perceived defect in the Accounts themselves.

It was resolved:

That approval be given to the 2021/22 Statement of Accounts as set out in Appendix 1, subject to the Director Finance, in conjunction with Ernst & Young (EY) and the Chairman of Committee, being authorised to make changes in relation to issues discussed during the previous item on the agenda in relation to the Audit Results Report, identified since the agenda was dispatched, and then, if required, any other changes that, in the opinion of the Section 151 Officer, do not impact on the overall substance of the Accounts, this prior to final sign-off by EY on or around the 18th July 2023.

10. **INTERNAL AUDIT ANNUAL REPORT AND OPINION 2022/23**

The Committee considered a report (reference Y33, previously circulated) containing the Chief Internal Auditor's annual assurance opinion on the Council's governance, risk and control framework for 2022/23 and the basis for this opinion.

The Chief Internal Auditor, Rachel Ashley-Caunt, introduced herself, explained her role and summarised the content of the Annual Report for the benefit of new Members of the Committee. She also highlighted that the assurance ratings in the Annual Report were those in place for the preceding year, so the titles would differ in the next agenda item relating to the progress report for the current year.

Members commended the content of the report, rolling risk reviews and the helpful and responsive approach of the Internal Audit (IA) Team to Member queries.

A Member commented that the rolling risk review reports would benefit from attendance of the risk owner to answer questions when the report was considered by this Committee.

It was resolved:

That the Internal Audit Annual Report and Opinion for 2022/23, as detailed in Appendix A to the report, be noted.

11. **INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report (reference Y34, previously circulated) advising Members of the work of Internal Audit completed for the financial year to date and the progress against the Internal Audit Plan.

The Chief Internal Auditor, Rachel Ashley-Caunt, highlighted Table 1 in the Progress Report showing the full Internal Audit Plan for 2023/24, for the benefit of new Members to the Committee.

She then summarised the content of the update report and the outcome of the two audits completed since the last meeting of the Committee – a follow-up on Asset related audits and the audit of fees and charges. Ms Ashley-Caunt also reported on the outcome of the rolling risk assurance review on risk A2 relating to East Cambridgeshire Trading Company (ECTC).

A Member commended the fact that only a handful of audit recommendations remained outstanding from the preceding year.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

Further questions/comments were raised by Members as follows:

With regard to the responses to the questions relating to ECTC, a Member commented that these were reassuring up to a point, but the existence of key documents such as a Business Plan, etc, did not ensure that the Trading Company was delivering against the Plan. The Member stated that the business model of ECTC of building and selling houses constituted a significant area of risk and the Member was not convinced that it had been demonstrated that controls were in place to effectively manage those risks. For example, a Shareholder Seminar had yet to take place and should have happened close to the year end in March. Similarly, the Member believed that the IA recommendation A2.07, arising from the rolling risk assurance review on risk A2 relating to East Cambridgeshire Trading Company (ECTC), to clarify the required/expected attendance of the S151 Officer and Monitoring Officer at Board meetings should not be changed from the stated 'requirement' for

attendance by the two Statutory Officers, as this was another key control. The Director Finance commented that, whilst this was a matter for the Board/Council to consider, a requirement to attend seemed too rigid. The Chairman suggested that 'expected' attendance may be a more reasonable approach.

With regard to the audit of Fees and Charges, a Member suggested that the development of a clear corporate charging policy for discretionary charges should be undertaken. It was further suggested that a formal review should take place in the Autumn/Winter 2023, of charges were this has not happened for some time, to enable the results of the review to feed into the 2024/25 Budget setting process.

On the follow-up Asset related audits, a Member commented that there should be a mechanism for the relevant Committee(s) to approve/be informed of cases where rents were discounted below a defined threshold.

It was resolved:

That the progress made by Internal Audit in the delivery of the Audit Plan and the key findings, as set out in Appendix 1 of the submitted report, be noted.

12. **CORPORATE RISK MANAGEMENT MONITORING REPORT**

The Committee considered a report (reference Y35, previously circulated) providing Members with a copy of the latest Corporate Risk Register.

The recommendation to note the report was moved and seconded.

Councillor Cane then moved the following amendment which was seconded by Councillor C Whelan:

The Committee notes the Corporate Risk Register and:

- (i) Asks the Risk Management Group (RMG) to change the control on risks A2 and A6 to 'S151 Officer and Monitoring Officer be expected to attend Board meetings as representatives of the Council and report on attendance to the Audit Committee'
- (i) Asks the RMG to review risks A6 and C3 in the light of the 2022/23 overspend of almost £500K not being reported to Council until February 2023, Internal Audit reports and other evidence; and
- (ii) Invites Members of the Audit Committee to attend the meeting when this review is discussed.

Speaking on the amendment, Councillor Cane stated that ECSS was not delivering on the Business Plan or performance indicators and had needed the approval of additional funding of £500K at the February 2023 Council meeting. This and other factors indicated that compliance testing was not being effectively undertaken and non-documentation and non-compliance was a failure. Therefore, regular monitoring of the risk was required, but the RMG did not produce notes of its meetings to record how risks were reviewed and monitored.

Therefore, Members of the Audit Committee needed reassurance that effective processes were in place.

During discussion on the amendment, the Director Finance explained that he chaired the RMG and it comprised all Directors and the Health and Safety Manager. Therefore, he reported back to this Committee in that capacity and also could convey the views/recommendations of this Committee to the RMG.

Speaking as seconder of the amendment, Councillor Whelan expressed concern that the Committee would not know the reasons for the risk ratings if no notes of meetings were produced. The Director Finance stated that the Risk Register detailed the views of the RMG and, as such, was the notes of the meeting. Councillor Cane commented that the Risk Register was a summary of the ratings but not the discussions behind them.

Following further discussion by Members it was agreed that the first two parts of the amendment could be accepted but that the Chairman and Opposition Lead Member for the Committee should discuss with the Chief Executive point (iii) regarding possible attendance by Members of the Audit Committee at the relevant RMG meeting.

A number of questions relating to this Agenda item had been submitted by Members prior to the meeting and these, along with answers provided by officers, were set out in Appendix 1 to these minutes.

Further comments were made on other individual risks within the Risk Register as follows:

Risk A3: Further detailed statistical information was required on the Housing Need within this District and the number of Social Houses empty and time periods. The relevant Committee also should be recommending the production of a Housing Strategy for the Council.

Risk A4: A Member commended the response to this question.

Risk D8: A Member stated that they would seek further clarification/information on the responses to these questions.

It was resolved:

That the update report and Corporate Risk Register, as set out in Appendix 2 of the report, be noted and:

- i. The Risk Management Group (RMG) be asked to change the control on risks A2 and A6 to 'S151 Officer and Monitoring Officer be expected to attend Board meetings as representatives of the Council and report on attendance to the Audit Committee';
- ii. The RMG be asked to review risks A6 and C3 in the light of the 2022/23 overspend of almost £500K not being reported to Council until February 2023, Internal Audit reports and other evidence; and

- iii. The Chairman and Opposition Lead Member for the Committee discuss with the Chief Executive possible attendance by Members of the Audit Committee at the RMG meeting when this review is discussed.

13. **FORWARD AGENDA PLAN**

The Committee received the Forward Agenda Plan.

Members raised the additional items for inclusion on the Agenda Plan as listed below.

In connection with the item on the Annual Review of the work of the Committee using the CIPFA template, the Chief Internal Auditor, Rachel Ashley-Caunt, stated that she supported this process for a number of Audit Committees at the end of each calendar year and could do the same for this Committee, as well as providing training and guidance on the new CIPFA checklist and producing an action plan/training plan for the Committee.

It was resolved:

That the Forward Agenda Plan be noted and the following items included on the Agenda Plan:

- That an informal meeting between the Auditors and Members of the Audit Committee be scheduled before the January 2024 meeting of the Committee;
- That an Annual Review of the work of the Committee using the CIPFA template be scheduled for January 2024 meeting of the Committee;
- That the External Audit Plan be provisionally scheduled for March 2024 meeting of the Committee;
- That the draft Annual Governance Statement be provisionally scheduled for July 2024 meeting of the Committee.

The meeting closed at 6.24pm.

Chairman:.....

Date:

AUDIT COMMITTEE
17th JULY 2023
QUESTIONS FROM MEMBERS OF COMMITTEE

Questions received from the Conservative Group

Agenda Item 6 – External Audit – Audit Results Final Up-date Report

<p>Balance Sheet – Net Pension Liability</p> <p>Whilst it is not uncommon for liabilities to be understated (or overstated) the amount in this case (£2.665m) is significant and therefore could be considered to have a material impact on the accounts. Noting that a revaluation of the pension plan assets (£0.150m reduction in the overall liability) can you explain how this matter came about and what changes will be made to avoid recurrence in future years.</p>	<p>Both these valuations were prepared by the Pension Fund actuary. The revised valuation was requested by EY to ensure that the consequences of the Triennial valuation had been picked up in the value included in the Accounts. All councils that had not already had their Accounts signed-off were asked to do this. When this was done, some assumptions used in the original calculation were overwritten by actual information which resulted in the information changing.</p> <p>In normal times, the time between the Pension valuation and the Audit taking place is small and so the likelihood of change is small. However, with the current delays in the Audit process, there is a possibility that a revised valuation may need to be obtained for the 2022/23 Accounts.</p>
<p>Comprehensive Income & Expenditure Statement – Grant Income</p> <p>On the face of it this would appear as a simple case of human error resulting in the double counting of £0.992m of income again in 2021/22 after having already counting it in the 2020/21 accounts. Is this correct and what changes are proposed to stop this happening again?</p>	<p>This was a human error, but as Covid grants have now finished, is not relevant for future years. Covid grants were particularly complicated, as some needed to be treated as principle, while others as agent depending on the amount of control the Council had on their allocation, and as a consequence had to be shown differently in the Accounts.</p>

<p>Balance Sheet – Fixed Asset Register Transfer</p> <p>Could we have an explanation of how these events occurred, and what provisions have been made to minimise the chances of a repeat in future years?</p>	<p>It was a complicated process taking all the data from our spreadsheets and inputting it onto the new software, but this has been done and now fully reviewed as part of the Audit process and we now have the new software fully functional to use moving forward.</p>
<p>Control observations</p> <p>Whilst no significant deficiencies in internal controls were identified the auditor observed that ECDC did not complete a CIPFA Disclosure Checklist. Seemingly this action is considered good practice and should improve confidence in the Council’s controls. Will this be used in the future?</p>	<p>Yes, the CIPFA Disclosure Checklist will be completed in readiness for the 2022/23 Audit.</p>

Agenda Item 9 – Internal Audit Progress Report

<p>Paragraph 3.2 states “At the time of reporting, fieldwork on 37% of assignments within the plan is either complete or in progress.” Does 37% accord with where Internal Audit would expect to be at this stage? i.e. Is internal Audit on track, ahead of schedule or behind?</p>	<p>As it is the end of the first quarter, the view of the Chief Internal Auditor is that this is just right – if not a little ahead of schedule.</p>
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Questions received from Councillor Cane

Agenda Item 6 – External Audit – Audit Results Final Up-date Report

<p>Q for Chief Executive - What reviews does management carry out before signing the Management Representation letter?</p>	<p>The formatting of the Management Representation Letter is very much prescribed. This is prepared by the Director Finance.</p>
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Item 7 – Statement of Accounts 2021/22

<p>Q for Director, Finance - If the accounts are going to be signed on or around the 18th July, please can this Committee have a copy of the final set on 17 July?</p>	
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Agenda Item 9 – Internal Audit Progress Report

Note - All questions directed to ECTC/ECSS Directors are for the Managing Director to respond. In his absence, responses have been provided by the relevant Board Director.

<p><i>Asset related audits</i> Q for IA Were the issues with PAT Water temp and fire door testing at the depot lack of documenting tests/assessments or had the tests/assessments not been carried out?</p>	<p>Officers have advised that PAT testing is now being carried out and water temp testing is carried out on a weekly basis. At the time of the audit, due to staff sickness and annual leave, this was not being performed regularly. This has now been remedied by training other operatives to carry out testing.</p> <p>The fire door assessment was delayed pending completion of works on this site. Note: No concerns were raised about the fire doors in the fire risk assessment carried out in March 2023. This fire risk assessment will also be recommissioned following the completion of works on site.</p>
<p>Q for Director Operations - Are these checks and their documenting now up to date? Are there any outstanding actions arising?</p>	<p>Documentation for the PAT water temp is up-to-date.</p> <p>Documentation for the fire door checks will be finalised after the new fire doors (planned as part of the depot refurbishment works) are installed and labelled (for the benefit of a corresponding number list).</p>
<p>Q for Director Operations - Do we now have EPC ratings for all leases?</p>	<p>There are two outstanding EPC's - Portley Hill Depot. This will be completed as soon as possible after the Depot Refurbishment Works are complete (estimated in the Autumn). Maltings Cottage, Ely. The new requirement means that there is now a need for an EPC even where the lease already exists. ECDC are in discussions with City of Ely Council on the current state of the building. Once a plan is in place an EPC will be completed.</p>

<p>Q for Director Operations - Do we now have a system for ensuring rent reviews are carried out and documentation for agreed rent discounts?</p>	<p>There is now a system in place. There is now a 'centralised' requirement for the Asset Manager to give notice to the relevant Service Manager or responsible officer that a rent review is due.</p> <p>The last rent review date and the next rent review date are now logged in the system which will trigger the Asset Manager to send an early reminder.</p>
<p><i>ECTC Risk Register</i> Q for Director Finance – In what ways does having a business plan, articles of association and a shareholder agreement reduce the risk of failure to deliver against the business plan and expected levels of performance?</p>	<p>Finance & Assets Committee approve the Business Plan, which includes the ECTC Risk Register, on an annual basis and receive management accounts, final accounts and a half year update for noting. Additionally, the Board Minutes are provided for noting.</p> <p>The Shareholder Agreement sets out the matters reserved for either Council or Shareholder Committee (in this case Finance & Assets Committee) approval.</p> <p>The Articles of Association cannot be amended without Council consent and is therefore a key control document.</p> <p>These documents individually and collectively provide assurance to the Council as Shareholder.</p>
<p>Q for Director Finance - In which years has ECTC delivered to its Business Plan?</p>	<p>ECTC continue to deliver on their Business Plan (save for Grounds Maintenance in 2022/23). The nature of the Property element of the business plan means that in some years house sales are not always in line with the business plan year.</p> <p>For 2022/23 Grounds Maintenance fell behind the financial assumptions provided in the Business Plan. This related to the cost pressure of the NJC pay award. This was comfortably absorbed by ECTC.</p>

<p>Q for Director Finance - How useful is a seminar reviewing the past year and the plans for the coming year, if it is not held 'at the end of each financial year'?</p>	<p>The purpose of the seminar is to provide an update to all Members on the previous year and plans for the 'new' year.</p> <p>Company matters were formally reviewed and commented on by the respective shareholder committees ahead of a new financial year (in March 2023) when the respective committee considered and subsequently approved the Business Plans.</p> <p>A seminar was due to be held in April 2023, however this was delayed due to the District Council Elections in May 2023. Member Seminars since the elections have been focused on key issues that require Members to have key briefings on, additionally there has been Member training. It is intended that the Shareholder seminar will be held in September 2023.</p>
<p>Q for Directors of ECTC - What arrangements have been put in place for the shareholders seminar in summer 2023?</p>	<p>Dates are currently being canvassed to ensure that all of the relevant Directors are in attendance. The plan is to provide a choice of two dates to Members and the date with the highest possible Member attendance will be selected.</p>
<p>Q for Director Finance - In what ways does having an Independent Chairperson reduce the risk of failure to deliver against the business plan and expected levels of performance?</p>	<p>An Independent Chairman is empowered to provide checks and balances as is therefore well placed to asked questions and receive updates on Business Plan progress.</p>
<p>Q for Director Finance - Does the Finance & Assets Committee receive the full audit report for ECTC (like the one for ECDC we are looking at today)?</p>	<p>The Finance & Assets Committee does not receive the audit report. This is a matter for ECTC.</p>
<p>Q for Director Finance - How does the debenture agreement for a loan of £7.5m protect the Council when the net current assets are forecast to be less than £7m in 2023/4-2024/5 and at least £4m of this is WIP, which is unlikely to achieve its book value in the event of a forced sale?</p>	<p>While the balance sheet does show a deficit at the end of 2023/24 and 2024/25, the WIP is unsold houses, held on the balance sheet at cost. I therefore would disagree with the view expressed in the question that this value would not be achieved in a forced sale, indeed I would expect the sale price of properties</p>

	would be in advance of the balance currently held on the balance sheet.
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Agenda Item 10 – Corporate Risk Management Monitoring Report

Note - All questions directed to ECTC/ECSS Directors are for the Managing Director to respond. In his absence, responses have been provided by the relevant Board Director.

A3 - Q for the Director, Community - What is the assessment of affordable housing need?	The Cambridgeshire and West Suffolk Housing Needs of Specific Groups Report (2021) states that 215 households per annum will require affordable housing to rent between 2020 and 2040.
A3 - Q for the Director, Community – how many social houses are empty and what is the longest one has been empty for?	This information is not readily available to the Council as it does not own or manage social housing stock.
A3 - Q for the Director, Community – how many people are on the social housing waiting list?	1039 88 in Band A: Urgent need 296 in Band B: High need 400 in Band C: Medium need 255 in Band D: Low housing need
A4 – Q for the Director, Operations - Community bus now only goes to Soham and Littleport what impact does that have on this control and the residual risk?	A review of the Community Bus provision was undertaken, it identified that the Bus resource would be better targeted at areas of the district where need was evident. Resources freed up as a result of this change have meant that the Council can provide more face-to-face support in Council offices and we continue to provide advice at the residents address if they are not able to attend the Council offices. Therefore, with improved targeting of resources the control measures are better defined and the residual risk remains the same.
A4 – Q for Director, Operations - What consideration has been given to the impact of interest rate increases – with fixed rate mortgages now at 6.6%?	No specific consideration has been given to increases in fixed rate mortgages, however, the Community Advice team are already able to provide advice on financial and cost of living issues. We are seeing an uptick in the number of

	<p>enquiries the team receive, but this is not reflected in a rise in homelessness applications. This is being kept under review.</p>
<p>A6 – Q for Chair of ECSS – Why did he feel confident to confirm to the Auditors that ECSS was a going concern in September 2022 when the management accounts showed a cumulative deficit to August of £81k and he was aware of significant on-going cost pressures?</p>	<p>The Council has a statutory responsibility to provide a waste service and councillors were aware of the action plan being put in place to maintain this. Because of on-going conversations between the Company and the Council, the ECSS Board was confident that any additional costs could be managed, with ECSS passing a resolution to request up to £500,000 on 31st January 2023. This was approved by Council on 23rd February 2023.</p>
<p>A6 – Q for Chair of ECSS – why did the Board not report the material changes in the finances of ECSS to the Council before January 2023?</p>	<p>As per the response on the same question posed to the Managing Director below.</p>
<p>A6 – Q for Chair of ECSS – why did the Board not provide the Shareholder Committee with biannual reports including the strategic risk assessment and summary management accounts with key metrics including financial projections and variations? Are these now being provided?</p>	<p>Historically performance reports were provided to the Operational Services Committee.</p> <p>The Operational Services Committee and previously Council approved the business plan which contained the budget for the year. Due to an oversight the management accounts were not reported to the Operational Services Committee.</p> <p>This has now been remedied and the Committee will receive both performance reports and management accounts. Additionally, the Operational Services Committee will also receive Board Minutes. Note - The Management Account and Board Minutes will be items in exempt session.</p> <p>The Bi-annual report will be noted by the Operational Services Committee in November 2023.</p>

<p>A6 – Q for Managing Director of ECSS – why did he not report the material changes in the finances of ECSS to the Council before January 2023?</p>	<p>The final calculation of projected overspend was considered by the Board on 31st January 2023.</p> <p>Prior to this point key negotiations were on-going relating to staffing and ECSS were calculating other impacts that could impact finances for example, fleet maintenance and income/cost from recycling.</p>
<p>A6 – Q for Sally Bonnett, previous Director of ECSS – why did she not report the material changes in the finances of ECSS to the Council before January 2023?</p>	<p>As per the response on the same question posed to the Managing Director.</p>
<p>A6 Q for Cllr Huffer – why did she, as the Shareholder’s observer, not ask to see ECSS Management Accounts before January 2023?</p>	
<p>A6 – Q for Cllr Huffer – when did she last review the Shareholder Agreement to ensure it was being complied with?</p>	
<p>A6 Q for Cllr Huffer – how does she consider the ECSS Board was complying with the Shareholder Agreement in particular, 3.5, 3.8.1, 5.5 and 7.3, if it wasn’t reviewing Management Accounts or sharing them with the Shareholder Committee before January 2023?</p>	
<p>A6 – Q for Director, Legal Services – what is the process for checking and review before documents are signed and sealed on behalf of the Council?</p>	<p>Documents are checked and reviewed against client department instructions or the resolution of Council/committee.</p>
<p>A6 – Q for Chair of ECSS – what is the process for checking and review before documents are signed on behalf of the Company?</p>	<p>This was an omission in the agreement. The decision of Council on 17 October 2019 (Agenda Item 15) was enacted.</p> <p>This was a human error that was not spotted at the time of review of documents prior to signing.</p>

	<p>Council passed a resolution on 13 July 2023 (Agenda Item 11) to make changes to the ECSS Shareholder Agreement.</p> <p>Signatories will ensure that the resolution of Council is reflected accurately in the changes.</p>
<p>A6 – Q for Director, Legal Services – what is the legal basis for deciding that a drafting error in a signed and sealed deed is not binding on both parties unless a Court rules otherwise?</p>	<p>The Council must act in accordance with legislation or resolutions of committee/Council.</p> <p>It is accepted that there was the omission of the word “Deputy” in the Shareholder Agreement dated 22nd January 2020, which was a simple drafting error and for which I can only apologise.</p> <p>Both parties accept that there was a drafting error and this could have been amended with the consent of both parties at any time.</p> <p>Those points aside, the decision of Council on 17th October 2019 has been followed and to do otherwise would be ultra vires.</p>
<p>A6 – Q for Director, Legal Services – how do we ensure we can enforce terms in the Shareholder Agreement if we accept that parties can act in contradiction to some of those terms?</p>	<p>It would depend entirely on the circumstances of each individual case.</p>
<p>D8 – Q for Human Resources Manager - how many vacancies does ECDC have and what percentage of posts is this?</p>	<p>There are 191 full time equivalent posts in the 2023/24 budget and 2.5 posts currently being advertised on the Council’s website, this is a percentage of 1.31%</p>
<p>D8 – Q for Human Resources Manager - What was our staff turnover in 2022/23?</p>	<p>13.9% (26 leavers)</p>

<p>D8 – Q for Human Resources Manager - How many days were lost due to staff sickness in 2022/23 and what percentage is this of total staff days?</p>	<p>All Sickness 8.63 FTE days lost (total days: 1,686.86)</p> <p>Short term sickness 5.36 FTE days lost (total days: 1,051.86)</p> <p>Long term sickness 3.27 FTE days lost (total days: 635)</p> <p>SHORT TERM (up to and including 20 days/one calendar month) LONG TERM (21 or more days/one calendar month)</p>
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Questions received from Councillor Christine Whelan

Agenda Item 7 – Statement of Accounts 2021/22

<p>"East Cambs Street Scene delivered a great street cleaning service and exceeded the stretch targets set out in its agreement with the Council."</p> <p>From an audit perspective it is important that we are showing evidence of this and that the targets are being shown in a transparent way.</p> <p>What were the targets that were set, how were they measured and are they being increased for the next year? Are residents informed when the street cleaning is taking place and how are they being advised? If not, is there a plan in place to program the street cleaning so we can see the targets in place and if they are being met?</p>	<p>The Business plan for 2021/22 that sets out the performance measures can be found here. And were approved and monitored through the Operations Services Committee.</p> <p>The 2023/24 Business plan for ECSS can be found here and performance against the plan is reported to Operational Services Committee.</p> <p>There is a review taking place of the Street Cleansing schedules and service quality as part of the Street Smart Project. It has been identified that improved communication would provide residents with assurance about what the service consists of, service levels, and scheduling. When the actual operational review is completed the comms plan will be implemented.</p> <p>All street cleansing performance is reported to Operational Service Committee.</p>
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