



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Agenda Item 4

CORPORATE GOVERNANCE AND FINANCE COMMITTEE

Minutes of a Meeting of the Corporate Governance and Finance Committee held in Council Chamber, The Grange, Nutholt Lane, Ely, on Monday 21 March 2016 at 4.30pm.

PRESENT

Councillor David Brown (Chairman)
Councillor Derrick Beckett
Councillor Ian Bovingdon
Councillor Peter Cresswell
Councillor Lorna Dupré
Councillor Lis Every
Councillor Coralie Green
Councillor James Palmer (substitute for Councillor Hamish Ross)
Councillor Stuart Smith

APOLOGIES

Councillor David Ambrose-Smith (Vice-Chairman)
Councillor Chris Morris
Councillor Hamish Ross

In attendance

Kay McClennon – Audit Manager, External Audit, Ernst and Young
Andy Radford - Chief Financial Officer & S151 Officer
Phil Rose – Strategic Land Advisor
Trevor Bowd – Principal Auditor
Tracy Couper – Democratic Services Manager

65. **PUBLIC QUESTION TIME**

No questions were submitted by the members of the public.

66. **DECLARATIONS OF INTEREST**

There were no declarations of Interests by Members of the Committee.

67. **MINUTES**

It was resolved:

That the Minutes of the meeting of the Committee held on 28 January 2016 be confirmed as a correct record and signed by the Chairman.

68. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made the following announcements:

- The Chairman stated that he had agreed to vary the order of the Agenda to take Agenda Item 12 on Fordham CLT Grant Application after Agenda Item 8, due to the fact that the officer presenting the item was required to attend another meeting.
- The Chairman expressed his sadness at the news of the recent death of the Council's External Audit Director, Rob Murray. The Chairman paid tribute to the work of Rob for the Council and this Committee and sent sincere condolences to Rob's family.
- As this was the last meeting of the Committee for the current municipal year, the Chairman wished to place on record his thanks to Members and Officers both internal and external for all their support and work on the Committee.

69. **EXTERNAL AUDIT – CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2014/15**

The Committee received the External Audit report on the certification of Claims and Returns for 2014/15. Kay McClennon, Audit Manager for the Council's External Auditors, summarised the content of the report and stated that External Audit had been requested by the Department of Work and Pensions (DWP) to undertake further work on the qualified areas which now had been completed and discussed with the Chief Financial Officer.

It was resolved:

That the External Audit Certification of Claims and Returns Annual Report 2014/15 be noted.

70. **EXTERNAL AUDIT – AUDIT PLAN**

The Committee received the External Audit Plan for 2016. Kay McClennon, Audit Manager for the Council's External Auditors, explained the content of the Plan. She highlighted the Financial Statement Risks on page 2 of the Plan, the first two of which on fraud in revenue recognition and management override were standard in all Audit Plans, whilst the third

on assessment of the Group boundary was relevant in the case of the Council's Business Centre and might be relevant in the future in relation to the Local Authority Trading Company (LATC). Ms McClennon also referred to the Value for Money Risks on page 5 of the Plan in relation to Budget pressures; the proposed new Leisure Centre; and the LATC. The Council had responded well to the financial pressures it faced, but would need to ensure that the relevant decision-making processes were followed in relation to the financing of the Leisure Centre and in respect of the LATC. Ms McClennon highlighted the materiality threshold for this Council on page 8 of the Plan and a correction to the title of the second column of the Fees table on page 12 of the Plan to read '2014/15'. She stated that Neil Harris would be the new External Audit Director for this Council.

The Chairman thanked Kay McClennon for her thorough and informative report.

It was resolved:

That the External Audit Plan be noted.

71. **EXTERNAL AUDIT LOCAL GOVERNMENT SECTOR BRIEFING**

The Committee received the Local Government Audit Committee briefing from the Council's External Auditors, Ernst & Young.

It was resolved:

That the External Audit briefing be noted.

72. **FORDHAM COMMUNITY LAND TRUST (CLT) GRANT APPLICATION**

The Committee considered a report (reference Q227, previously circulated) containing a grant application from Fordham CLT. Phil Rose, Strategic Land Advisor, reported that a one year extension of the Community Land Trusts programme had been approved by full Council in February 2015, including a £10,000 provision for CLT set-up grants. Witchford and Haddenham CLTs already had been successful in grant applications in the current year. The Fordham application had been assessed by the CLT Advisor who recommended approval and the £5,000 grant could be met from current underspendings in the Infrastructure and Strategic Housing Budget.

Councillor Beckett expressed concern that the Council decision to provide funding in the sum of £10,000 now was being extended to £15,000 by this Committee without further recourse to full Council. The Chairman stated that the full Council decision showed this Council's commitment to the principle of progressing the CLT programme. Councillor Smith commented that it was not possible to accurately predict how many CLT grant applications would be forthcoming during this year.

Councillor Dupré asked if an estimate could be made of how many more CLT applications might come forward in the near future. Mr Rose stated that no more CLT applications were expected in the current financial year, but some were likely to come forward in the next financial year. Councillor Dupré queried if funding provision had been made for 2016/17 and Mr Rose stated that he understood that this was not the case at present. Councillor Dupré suggested that this might be a matter that needed to be considered at the next meeting of this Committee.

It was resolved:

That approval be given to a grant application for £5,000 from Fordham Community Land Trust (CLT).

73. **INTERNAL AUDIT CHARTER AND WORK PLAN 2016/17**

The Committee considered a report (reference Q224, previously circulated) which presented the Internal Audit Charter and Work Plan for the financial year 2016/17.

The Principal Auditor reminded Members that there was a requirement to formally approve the Charter on an annual basis, and highlighted the key areas.

It was resolved:

That the Internal Audit Internal Audit Charter and Work Plan for the financial year 2016/17 be approved.

74. **REVIEW OF ANTI-FRAUD AND CORRUPTION STRATEGY**

The Committee considered a report (reference Q225, previously circulated) containing the revised Anti-Fraud and Corruption Strategy. In response to a question by Councillor Cresswell, the Principal Auditor reported that the Strategy usually was reviewed every two years.

It was resolved to RECOMMEND TO COUNCIL:

That the revised Anti-Fraud and Corruption Strategy, as set out at Appendix 1 to the submitted report, be approved.

75. **CORPORATE RISK REGISTER ANNUAL REVIEW**

The Committee considered a report (reference Q226, previously circulated) detailing the annual review of the Council's Corporate Risk Register in accordance with the Risk Management Strategy.

In response to a request by the Chairman, the Chief Financial Officer highlighted the changes to the Risk Register. The Chief Financial Officer reported that a new risk had been added in respect of the recently announced Devolution Deal for Norfolk, Suffolk, Cambridgeshire and

Peterborough, and that the level of risk in relation to the LATC had been reduced to reflect the progress made on this project. In response to a question from Councillor Beckett, the Chief Financial Officer explained the nature of the 1-5 risk matrix based on likelihood and impact that was used to assess risks.

It was resolved to RECOMMEND TO COUNCIL:

That the revised Corporate Risk Register, set out at Appendix 1 to the submitted report (as amended), be approved.

76. **FORWARD AGENDA PLAN**

Members received the Forward Agenda Plan for the Committee for the current year. Members were informed that an Agenda Plan for 2016/17 had been drafted and would be published once confirmation had been received of the date of the September meeting of the Committee in the light of proposals referred to in the External Audit Briefing earlier in the meeting regarding changes to the timetable for the audit and approval of the Council's Financial Statements.

It was resolved:

That the Forward Agenda Plan be noted.

The meeting closed at 5.00pm

Chairman.....

Date