

# AUDIT AND RISK MANAGEMENT COMMITTEE

TUESDAY, 17 FEBRUARY 2026 - 4.00 PM



**PRESENT:** Councillor I Benney (Vice-Chairman) and Councillor Mrs J French

**APOLOGIES:** Councillor K French (Chairman), Councillor G Booth and Councillor G Christy

Officers in attendance: Stephen Beacher (Head of ICT Digital & Resilience), Peter Catchpole (Corporate Director and Chief Finance Officer), Deborah Moss (Head of Internal Audit) and Sian Warren (Chief Accountant)

## **ARMC19/25 PREVIOUS MINUTES**

The minutes of the meeting held on 24 November 2025 were approved and signed.

Councillor Mrs French referred to the previous discussions concerning the introduction of an Independent Person to the committee and she asked when that matter will come before the committee. Peter Catchpole stated that the report has been produced but will form part of the agenda at a future meeting. Councillor Mrs French questioned that, with the proposed Local Government Reorganisation coming forward in April 2028, whether it would no longer be a worthwhile exercise to implement such a position on the committee.

## **ARMC20/25 AUDIT RESULTS REPORT YEAR ENDED 31 MARCH 2025 - STATEMENT OF ACCOUNTS 2024/25**

Members received a presentation from Debbie Hanson and Jake Day of Ernst & Young (EY), the Council's external auditors.

Members asked the following questions.

- Councillor Mrs French stated that she does have concerns with regards to the property and the equipment point that was raised and, in her opinion, due to Local Government Reorganisation (LGR), it is essential that records are brought up to date as soon as possible in order that records are accurate and quantify what the Council owns. Debbie Hanson explained that with regards to PPE they have not identified any issues in terms of concerns about the completeness or accuracy of the Council's records with regards to fixed assets in relation to those which are valued on an annual basis. She added that the Council does hold some categories of assets at historic cost which is in line with the CIPFA code and the only reason why there is no assurance for those is because there has been no testing of additions and disposals of those assets in the two years where disclaimed opinions were issued. Debbie Hanson explained that the asset under construction is quite a specific point and in general there were no issues identified with either the valuation, the existence or the rights and obligations and ownership of the assets.
- Councillor John Clark stated that there appears to be several areas of concern contained within the report and he asked for an indication as to where the Council would sit if a benchmarking exercise was undertaken with the other authorities that EY engage with. He questioned whether in their opinion they would place the Council on a good, intermediate or needs improvement position in order to give him some reassurance in terms of where EY see the Council positioned and where they are likely to find themselves moving forward.

Debbie Hanson explained that the areas of main concern which have been highlighted are contained within the table that she referred to which dictate the assessment of the procedures to support the audit. She added that it has been noted that capacity is the key issue and the colour coding in the executive summary on Page 11 demonstrates that there are a number of red and amber areas. Debbie Hanson made the point that the Council should be looking towards achieving a status where the whole of the table is coloured green. She added that when comparing the Council to other authorities that she works with there are some where the table is all green and she made the point that there are a few issues to be addressed which, in her opinion, is always difficult for relatively small councils due to the fact that the Council has lots of other priorities such as budget setting and LGR is going to increase the workload of the Council significantly. Debbie Hanson expressed the opinion that many small councils do need to look at the capacity of the Finance Team and the support that they receive from other areas of the Council because it is that team who pull together the accounts, but that information is required from many other areas and departments of the Council. She expressed the view that it is very important that members consider whether the Finance Team has the support that they need in order to prepare the accounts as well as doing all of the other tasks that they need to do which will include LGR. Debbie Hanson made the point that she has worked very hard with the Finance Team and believes that they have a very constructive relationship, but she does believe that there have been challenges in terms of the capacity and the volume of information that is required in order to complete an audit and the time that it takes to pull all of that information together.

- Councillor Clark asked Peter Catchpole to explain what steps are being taken to address the concerns raised by EY in order that the Council can find itself in a better position in twelve months' time? Peter Catchpole explained that he has had a couple of conversations with the Auditors and, in his opinion, the onus is not all on the Council and it is about collaborative working. He added that ever since the Covid pandemic, with Auditors not coming on site, in his opinion, there are many different ways in which there could be improvements made going forward. Peter Catchpole expressed the view that he is content with the position of the Council at the current time particularly when considering the build back and the fact that there have not been full audits undertaken for a while. He added that the Chief Accountant also retired and he was in post for over 40 years and, therefore, different aspects of the finance operation are evolving and being undertaken in a very different way with different aspects of the tasks in finance being shared out amongst the team. Peter Catchpole expressed the view that he believes several of the points are to do with external providers in terms of valuers and pension information which is not down to the Council. He added that where the Council did not publish draft accounts on time was due to a deliberate decision taken by him due to the fact that there were not going to be audits undertaken historically because of the issues. Peter Catchpole expressed the opinion that he believes that the Council finds itself in a particularly good position and he is not overly concerned but added that there is room for improvement. He added that 24/25 has been much better and he stated that the lack of internal audit resources to hit deadlines is an issue but is unlikely to be so going forward. Peter Catchpole explained that the Council failed to publish the draft accounts on time and when they were published for the financial year 24/25 there were some errors but that was not unexpected. He added that he does not believe that there needs to be any added resource within the team as the workload is being spread amongst the existing team and Sian Warren, the new Chief Accountant, has managed that very well. Peter Catchpole stated that the Council now finds itself in a position where there are disclaimed opinions and he advised members of the committee that he is not unduly worried about the current status and added that work undertaken in 25/26 will give the Council more assurance with no matters causing him any concern.
- Councillor Nawaz referred to the areas which are marked as ineffective or require improvement and asked whether those areas are carried forward to the following year or is there any consequence to the Council and he asked for an explanation to the term used in the report which was materiality? Debbie Hanson explained that with regards to the assessment and the arrangements to support the production and the audit of financial

statements that is a single year assessment. She added that each year is assessed in isolation and is, therefore, not carried forward and the reason why that is provided is to give officers an understanding of where areas need to be improved but to also provide members, as those ultimately responsible for governance, with further information about the clarity of EY assessment. Debbie Hanson explained that it is something new which EY have introduced this year and this has not been previously reported in the same way and, in her opinion, it does provide a more granular assessment of the areas where improvements are needed. She added that as she had previously alluded to in her presentation, this is the first time that an audit has been undertaken in three years and there have been changes such as the retirement of the Chief Accountant partway through the year who had been in post for a long time and it was always thought that this year would be a difficult year. Debbie Hanson added that there will now be the expectation of seeing a number of those areas moving to be more effective next year. She stated that with regards to the questions concerning materiality, there is no audit of any financial statements whether that be corporate, or public sector that can ever provide 100% assurance on the material accuracy of the figures and the statements. Debbie Hanson explained that all Auditors calculate what they call a materiality level, so that they are providing assurance to the Council to state that the accounts are materially accurate and it is that materiality which indicates the quantum of the errors. She added that the Auditors are not giving 100% assurance on the accuracy of every figure, but they are stating that they are accurate to the materiality balance and that is what they audit to. Peter Catchpole added that his team do review the external audit report and reflect on the areas which are marked as ineffective and then ensure that those areas are enhanced going forward. He explained that the team are already working on an action plan for 25/26 and where both External Audit and Internal Audit indicate that there are areas where improvements can be made those are areas which are focussed on.

- Councillor Clark stated that Peter Catchpole has stated that there will be no increase in staffing within his team, and asked whether the existing team has the capacity to deal with the extra workload which is going to be needed to reach the required level? Peter Catchpole stated that when he referred to capacity, he was referring to recruitment of additional officers but explained that existing officers are being developed internally and there are more accountants in post now than have been previously and they are working towards qualifications. He added that the workload is now being spread amongst a greater number of accountants which was not the case before and he stated that he is increasing the capacity but just not the headcount.
- Councillor Benney added that the report makes reference to the fact that although the team is resourced there is still shortfall of 0.4 of a post. Peter Catchpole explained that this is a vacancy within the Internal Audit Team.
- Councillor Benney expressed the view that work involved with Internal Audit and Accountancy is a vast job and EY always do the external audits and some of the problems appear to stem from the accounts not being signed off, with it being clarified that the accounts from 23/24 have been signed off.
- Councillor Benney stated that he recalls that EY did have their own resourcing issues a number of years ago and the Council could not publish items on time due to the fact that external audits were not being undertaken. He expressed the view that a problem can arise when there is no closing balance from one year and it has an impact on the opening balance for the following year which has been highlighted in this report before the committee. Councillor Benney stated that the Council has new Internal Auditors and new officers and those members of staff will look at things in a different way to that of their predecessors. He added that those new officers will bring forward new ideas and undertake tasks in a different way from previous officers which he believes may have played a part in not having the final figures signed off and having new staff could be attributed to the points raised in the report. Councillor Benney expressed the view that the report reflects that there is room for improvement and the Council is doing a good job and is working its way towards improving its auditing standards. He added that due to various reasons there have been issues such as the pandemic, staff changes, under resourcing issues of EY in order to sign

accounts off but, in his view, all the points are being addressed and from reading the report he does not believe that the Council is in a bad position. Debbie Hanson explained that she was not involved with the Council's audit for 21/22 but she aware that the 21/22 audit was not signed off until February 2024 but she does not know the reason for the delay but recognises that it would have had an impact on the Council with regards to closing down subsequently or preparing subsequent years accounts. She made the point that she does believe it is correct to say that it was due to the EY resourcing shortages, but she agreed to ascertain what the delays were with regards to the 21/22 audit. Peter Catchpole stated that Debbie Hanson has advised that a timetable needs to be agreed for getting the final accounts signed off.

- Peter Catchpole made the point that the committee has seen the draft Statement of Accounts and the final accounts will be circulated to the committee this week, with subsequent approval by email with delegation to the Chairman and Section 151 Officer to sign them off. Debbie Hanson stated that she agrees with that proposal, and she added that the committee is responsible for governance and one of the key roles of the committee is to approve the financial statements. She added that she would expect that the accounts would be considered at the same meeting as the audit results report in order to give members the opportunity to ask questions about the accounts and ensure that they are comfortable in approving the accounts. Debbie Hanson stated that it is important that EY obtain the confirmation from the committee that they have seen the accounts and they are happy with their approval and for delegation be given to the Section 151 Officer and the Chairman.
- Councillor Mrs French stated that she noted in the report that it states the accounts will be ready by the 28 February for the sign off. Debbie Hanson stated that the 27 February is the statutory backstop date and it is envisaged they will be circulated before that date.

#### **Members AGREED:**

- **to note the content of the report, and**
- **that delegation be given to the Chairman of Audit & Risk Management Committee and the Corporate Director and Chief Finance Officer to agree any further amendments to the Statement of Accounts which may arise prior to the final 'sign off' by the external auditors.**

#### **ARMC21/25 INTERNAL AUDIT PLAN 2025-26 PROGRESS REPORT**

Deborah Moss presented the report.

Members asked the following questions:

- Councillor Mrs French asked if she could be provided with the findings of the Anglia Revenues Partnership (ARP) enforcement audit as she is involved with them in her role as the Portfolio Holder. She stated that she is concerned with regards to the number of complaints that she is receiving due to the lack of communication regarding complaints and not being addressed without any intervention by herself which, in her view, is not acceptable. Councillor Mrs French added that she also has concerns on how much the Council is owed and she would like further details concerning the amount owed and an explanation as to why the outstanding debt is not being chased. Deborah Moss explained that with regards to the enforcement audit the testing for that has been completed and the provisional audit opinion is that substantial assurance was given. She added that the audit does not go down to the level of detail concerning complaints or the debt as it is purely enforcement, but she confirmed that the process itself is working properly and the controls are in place.
- Councillor Mrs French stated that with regards to ARP she is aware that there is a very high level of fraud cases which ARP are working exceptionally hard to investigate and deal with and the fraud equates to millions of pounds across all of the partnerships. Deborah Moss agreed that they are working very hard, she deals with them on a regular basis and is aware of the work they are undertaking and stated that the Council publishes the statistics annually

on the website. Peter Catchpole added to put the word fraud into context in this case it mostly relates to the Council Tax single persons discount which is where people are not declaring that they have additional residents residing with them. He explained that the Cambridgeshire Fraud Hub exists and Councillor Mrs French was involved with the implementation of that and it carries out some excellent work on that type of fraud in particular and it is the single persons discount where most of the financial recovery comes from.

- Councillor Mrs French added that she would like to add her thanks to the County Council because without their substantial contribution the work surrounding fraud would not take place and, as Peter Catchpole stated, it is in the region of 75% of the fraud cases being as a result of single persons discount being claimed when it should not be.
- Councillor Benney stated that the single persons discount is a massive potential fraud area and he is aware that Councillor Mrs French has reported several cases to ARP, but they do not appear to be responsive enough. He added that it is not just the single persons discount which needs to be considered as there maybe residents who are also in receipt of benefits and live with a partner who is earning £30,000 per year and, therefore, the additional benefits should not be claimed. Councillor Benney added that is not right as it is public money and, in his view, ARP could do an awful lot more and be far more responsive with such matters. Deborah Moss stated that is a fair comment and she will feed that back at her next meeting with ARP. She added that they do undertake audits themselves and the other partners will audit Council Tax and Non-Domestic Rates separately. Deborah Moss added that the NFI review is being undertaken at the moment on single persons discount and that will look at all of those people that have been referred to. Peter Catchpole stated that ARP will be attending the next Overview and Scrutiny Panel and some of those issues can be considered and addressed at that meeting. Councillor Benney expressed the view that he would very much welcome that discussion to take place at that meeting. Deborah Moss stated that she has discussed with the ARP Fraud Manager about the inclusion of some of the detail concerning fraud in her annual report at the end of the year and there was also some discussion as to whether she would attend a meeting of the Audit and Risk Management Committee if that is something members would like. Councillor Benney stated that is something he would welcome.
- Councillor Nawaz stated that the single persons discount appears to be a difficult issue to resolve, and he does recall the Overview and Scrutiny Panel revisiting a discussion on that matter on numerous occasions. He questioned whether there have been any templates which have been developed to make progress on the issue as he does find the issue rather concerning. Councillor Nawaz further stated that he believed that street lighting was a function of the County Council, and he added that when looking at the report the point concerning supplier amendments/anti-fraud which is red and there are also four aspects in the priority actions. Councillor Nawaz asked whether the table could reflect monetary values as well in order to gain a better understanding? Deborah Moss stated that with regards to the question regarding supplier amendments, the Council receives several fraud alerts from people impersonating others or from people who are trying to change standing data to creditors to try and receive a payment to a fraudulent bank account. She explained that because of this issue a separate audit was undertaken to review the internal procedures with the Finance Team just to check that the verification processes that the Council has would be a good prevention and to ensure that the staff are aware of procedures to follow and the report identifies the action which came out of that audit. Deborah Moss explained that she sends through regular updates to the Finance Team concerning fraud issues as a reminder because the issue of fraud is increasing significantly.
- Councillor Nawaz stated that the issue of fraud is something which he is very concerned about as he has read in the press about individuals who claim benefits from many addresses and end up with a very high income. He expressed the view that whilst he does not want to be alarmist he would like to know whether there are any measures in place to prevent such a course of action from taking place? Deborah Moss explained that ARP are responsible for providing the Council Tax and Benefit service on behalf of the Council and

they do have a great deal of prevention measures in place and they audit to ensure that the prevention measures work. She added that the committee will also have sight of those audits once ARP have completed them. Councillor Nawaz asked whether it was possible for any of the risks to be quantitated? Deborah Moss explained that the information would need to be captured from ARP. Councillor Nawaz stated that the information may be useful for the committee to have going forwards in order for the extent of the risks to be known. Peter Catchpole expressed the view it would be useful for the committee to receive a presentation from Katie Mills who is part of the Cambridgeshire Fraud Hub as she can provide facts and figures to the committee to give them an overview of the amount of money that they save in terms of the single persons discount. He made the point that the work that they undertake is very reassuring and they do work across a lot of districts, but they will hold targeted data for Fenland, and they would be more than happy to come and present to the committee to provide an overview of the work that they undertake.

- Deborah Moss explained that the County Council do have responsibility for street lighting, but Fenland also owns some of its own lights and deals with some lights on behalf of some of the Parish Councils as well and that is what the audit scope was about by looking at how they are dealt with and how they are managed. She explained that with regards to the supplier amendment point made by Councillor Nawaz, this was work undertaken by the Audit Team who looked at the changes to the standing data for creditors including their contact details or details regarding their banks. Deborah Moss added that this work ensured that procedures are in place and there are prevention measures to make sure that those frauds are controlled. She added that there needs to be a verification process to ensure that the established source documents have come from the actual source as it cannot be taken on face value and once verification has taken place then the changes can be made to the standing data and that is now secured and in place.
- Councillor Mrs French stated that the Council does own a number of street lights and the Council also has a contractor who undertakes work on the lights on behalf of the Parish Councils.
- Councillor Mrs French explained that with regards to the issue of fraud across all of the revenue partnerships the amount of fraud equates to millions of pounds. She added that she has asked repeatedly that once somebody has been taken to court and a decision has been made, in her opinion, the offenders should be named and shamed and the individuals names should be published.
- Councillor Benney expressed the view the issue of fraud is a very big problem and for those who are defrauding means that those people who are paying Council Tax are having to pay more. He added that members hold their elected position to represent the residents and the taxpayers of Fenland, which includes those residents who do not commit fraud, however, they are being let down by no action being taken.
- Councillor John Clark stated that the score awarded to corporate performance is reasonably limited which reflects cause for concern and he asked what time period passes before the officers comments are considered and action taken in order that an acceptable position is reached and who chases that up in order for improvement steps to be taken. Deborah Moss explained that this reflects an audit which was undertaken last year and this year a follow up exercise was undertaken on those actions to check that they have been implemented properly. She added that at the follow up stage it was very difficult to evidence that some of them had been introduced fully and as a result they have been left on the monitoring record to go through and check them. She explained that she does not want the actions to be recorded as completed when they are not and that is why they are still shown as limited as she is not fully confident that those points have been introduced to the right level. Deborah Moss added that it is still being monitored internally by Internal Audit and reports are sent to the Corporate Management Team regularly so that they are aware of what ones are outstanding and it is down to management to put those actions into place. Councillor Clark expressed the view that it is concerning if management is not reaching a reasonable level and, in his opinion, it does not set a good example to the more junior officers, and he added that for a Corporate Management Team he finds the audit score disappointing. Deborah

Moss explained that management and the corporate team are the ones that have the overall responsibility for the actions but when considering performance management, the key performance indicators are calculated by the individual services and that was what the scope was within that audit.

- Councillor Benney asked for clarification as to who sets the priorities for undertaking the audits and at what stage is it decided that an audit will be carried out? He questioned whether the audits on finance are given priority due to the significant importance. Deborah Moss explained that not every area can be covered but it should be decided on a risk basis and that should then formulate a rota in which the audits are carried out. She added that finance is an important audit to carry out due to the fact if any of the controls fail, they are monetary based and that would then be a bigger risk to the Council. Deborah Moss explained that payroll has now been adjusted to reflect an annual audit and the service areas are risk based and the risk registers are reviewed as well as the individual risks within the service plans, staff changes, complaints and other factors which may basically effect what is felt that the value of the risk would be for those areas and then they are matched accordingly with what resources there are.
- Councillor Benney made the point that he would expect there is an element of fire fighting which officers have to undertake as issues arise. Deborah Moss stated that is the case and as the authority moves towards LGR, there will still be the requirement to undertake the day to day audits but there will also be a lot more movement towards helping with transformation by looking at projects and also looking at a smooth transition because ultimately that will be one of the biggest risks for the Council. She explained that the Council needs to be in a good position as it moves forward and she referred to the point made by Councillor Mrs French with regards to ownership of assets which is something that she has raised with the Transformation Team herself very recently. Deborah Moss expressed the view that there will be an area of preparatory work which will need to be focussed on and there will be the need for that work to be of a certain level going forward. She stated that she anticipates that she can see that is where the audit function will spend a greater amount of time and resource dealing with that whilst still managing to deliver an audit opinion but she cannot divert too much time away from non-audit work as she does not have the resource to do so.
- Peter Catchpole stated that the draft Internal Audit Plan will be brought to the committee for sign off at the next committee meeting. He added that what he needs is to see that there are enough audits being undertaken in order to be able to give an annual opinion and to keep the External Auditors content.
- Peter Catchpole referred to the outstanding actions and explained that there is a list of outstanding actions which is taken to Management Team and those actions are raised and chased up. He added that he is quite vocal at Management Team with regards to the audit actions and he explained that that he is now considering insisting that if an audit action is not completed by the agreed date then he will be asking the relevant manager to come before the committee to provide an explanation as to why the actions have not been dealt with. Peter Catchpole made the point that he is becoming very frustrated with some of the outstanding actions and the overdue ones and he explained that he does not tell the teams when they have to have the actions completed by, but they do agree a reasonable time for the action to be completed and, in his opinion, there is no excuse for it not to be done. He stated that he is very harsh on that aspect of work and very vocal and he would hope to see a significant improvement the next time a report comes before the committee.
- Councillor Mrs French stated that many points are all centred around LGR and there is still so much uncertainty around the project. She added that it was decided by Council not to proceed with the new Local Plan several months ago and then because of LGR it was decided on 15 December that the new work on the new Local Plan should be resurrected. Councillor Mrs French asked Deborah Moss whether she will be looking at the project as it is going to cost a considerable amount of money. She added that if the Council do not undertake a new Local Plan then the Government undertake a plan on the Council's behalf which could cost significantly more. Councillor Mrs French asked whether Internal Audit would become involved with the process as it moves along? Deborah Moss stated that she

does not anticipate that Internal Audit will become involved with the project, adding that the Council has to have a Local Plan as it is a statutory requirement, and she agrees that it should be a plan developed by Fenland and not one foisted upon the Council by Central Government. She expressed the view that she does not foresee Internal Audit needing to become involved with the project as it is a very specialised subject and she does not see what value Internal Audit would bring to the project apart from checking it is progressing and is going to be delivered on time. Councillor Mrs French made the point that she is more concerned with regards to the cost of the plan and, in her view, that needs to be looked at very carefully in order that no money is wasted and there must be no duplication on information which is already held and could still be used. Peter Catchpole stated that he would like to reassure members that both himself and Sian Warren, the Chief Accountant, will be scrutinising and tracking any associated spend associated with the Local Plan as will the Leader of the Council, Councillor Boden.

- Councillor Benney stated that work on a new Local Plan commenced in 2019 but that has never come to fruition and now the decision to undertake the work on a new Local Plan has been forced upon the Council because it is financially better to do it than not to do it. He added that there is also a great deal of expenditure as a result of the Inspire projects which, in his view, could also be a risk to the authority and he asked whether there is any audit work being undertaken on those projects? Councillor Benney stated that there is no certainty whether LGR will actually come forward as it has yet to go through the Houses of Parliament and he questioned whether there will be audits undertaken on what the cost implications of LGR are likely to be, because, in his view, he would place both Inspire and LGR as high priority risks on the risk register. Deborah Moss stated that the Inspire projects already appear on the Audit Plan and instead of undertaking a specific audit on those she is working alongside the Transformation Team responsible for the projects and she is incorporating the governance role within that as that is where she feels that audit would sit. She explained that the Transformation Team have already designed a governance checklist and she will attend some of the meetings and, in her view, will obtain better value in seeing how it is working, rather than looking at the controls behind it which is what audit would traditionally do. Deborah Moss added that with regard to the value of LGR and the money being spent, it is her understanding that the Council has already started to track expenditure and there will completion of timesheets and the amount of money being spent will be recorded separately in order for it to be monitored and reviewed. Peter Catchpole made the point that they are two big areas and LGR is happening across Cambridgeshire and there will be a new Implementation Director commencing in March who will oversee the whole process for the county. He added that at the last Cabinet meeting, it was agreed to set up a LGR reserve which is not to be spent on external consultants but will be to capture internal costs. Peter Catchpole explained that many officers are being included into various workstreams for LGR, and both himself and Sian Warren are already part of a finance group and Stephen Beacher has joined an ICT and Customer Service group. He expressed the view that the whole project is only going to increase in size and gain momentum and the Council are capturing the costs that are being spent on LGR which is completely on internal officer time. Peter Catchpole explained that it will have an impact as officers are already very busy and it will be interesting to see how things progress. He added that with regards to Inspire projects, the Transformation Team are being used as the Programme Management Office to track the spend and look at what is taking place in those areas and Deborah Moss will include that on the Internal Audit Plan.
- Councillor Mrs French stated that it had been anticipated that the Council would commence the collection of food waste from domestic properties in June but it would appear that is now not going to be the case. She added that officers have spent a significant amount of time on the food waste collection project only to be stopped again and it is not the Council's fault. Councillor Clark stated that he was under the impression that DEFRA are to pay for the set-up of the food waste collection service. Peter Catchpole explained that the Council was originally advised that the project would be funded by New Burdens which is a framework that ensures that local authorities are properly assessed and fully funded for any new

responsibilities that they may face. He explained that the Council received New Burdens funding for the purchase of the capital, the vehicles and the food caddies, as well as receiving some transitional revenue funding to assist for a few months with the revenue costs. Peter Catchpole made the point that since the recent Local Government finance settlement he has now been advised that the revenue funding for food waste is included in the settlement, however, it is not clear where the funding is. He explained that at the current time the costs have been built into the draft budget, which will be discussed at Full Council and he added that he is still requesting clarity on whether there will be any further funding as the Council did not do particularly well out of the financial settlement as it appears that the extra funding which was available went to Unitary Authorities and the County Council.

- Councillor Clark stated that he was under the impression that the project was going to be funded by DEFRA as he had been advised at an Employment Committee and he was going to ask whether the project was going to be a risk, where the Government fund the project and then a year later they withdraw all funding leaving the Council to pay but it now appears that is not a consideration.
- Councillor Benney stated that it appears that it will be highly unlikely that the 0.4 post in Internal Audit is going to be recruited to and as a result of new projects there is going to be the need for extra audits which will need to be undertaken. He added that Councillor Clark has already pointed out that there are too many red and amber entries on the RAG register as opposed to green and the only way to change that is to have more staff in post. Councillor Benney stated that there are also new members of staff in the Finance Team who will need training by those officers who are qualified which has a domino effect on workloads whilst time is spent training those new staff and he questioned whether there are enough officers in post. Councillor Benney made the point that members cannot highlight that there are not enough green entries on the RAG register and expect officers to do the work when there are not enough staff in post to undertake the workload. He asked for confirmation as to whether there is enough resource in place to facilitate the workload because otherwise, in his opinion, that should be considered as a risk. Deborah Moss explained that ideally she would like to include the 0.4 of a post together with some additional budget to be able to have some additional resource and that would be her preference. She expressed the opinion her team could not fulfil audits with a lesser resource and she will be able to provide an audit opinion as there have been enough audits undertaken along with ARP who also undertake some the audits on behalf of the Council. Deborah Moss added that the budget for the 0.4 post is allocated and she would like to be able to utilise it as she would like to have some ICT audits included because, in her opinion, it provides a better coverage of what has been looked at. She expressed the view that she would need to consider how to make the best use of the 0.4 post or whether to consider adding to it to make something different.
- Councillor Benney added that whilst somebody is absent then their hours cannot be recouped especially when the service is already short of staff. He added that he appreciates that it is difficult being challenged when he is asking whether there needs to be an additional resource, however, as the committee are requesting for extra tasks to be undertaken, it is unfair for that request to be made if there are no staff in place to do the work. Deborah Moss stated that it probably fortunate at the current time that the Audit Plan is being deferred until May as if what is coming forward in March then it may have proved to be problematic as there are still some audits from this year's plan that can be rolled over. She explained that they would either defer from one year to the next or they would just be continued with a view to starting the plan afresh once the committee view it in May which is what she proposes to be the best option. Deborah Moss explained that there will be enough audits with opinions against them to give an audit opinion for the annual governance statement. Peter Catchpole stated that he could go to any manager and they would all say that they would like extra staff which, in his opinion, is fair. He added that Deborah Moss has stated that she can provide an audit opinion for 25/26 and then once the Audit Plan comes forward then the Council should be able to match up resource to the audit plan. Peter Catchpole added that it has to be a risk-based audit plan and he will consider looking back at historic audits which

have been undertaken in the past and decide whether it is worth doing those audits again. He stated that he is very mindful of the requirements and he will bring the report forward to the committee in May with the draft audit plan and match it to the resource requirements. Peter Catchpole explained that he will not remove the 0.4 resource away from the budget for next year and that will be looked at once the resource is matched against the work which is required. He made the point that there is no doubt that LGR has changed the landscape in a lot of areas and what is still uncertain is the amount of time which is going to be invested into LGR and by default it may be necessary to look at resource in various areas. Peter Catchpole stated that he will not compromise on governance and there are and always should be areas where improvements can be made. He explained that he is concerned that 26/27 will bring about extra workload as a result of LGR and more and more is being asked of everybody and the authority is looking at ways where efficiencies can be improved. Peter Catchpole explained that the use of AI is also being tested in some areas and there needs to be forward thinking into process efficiencies as the authority looks ahead. He stated that he has just published the budget figures which demonstrates that there is a £2.8 million deficit for next year and whilst he is sure that it will not be the case when the year-end comes, the budget can only set on what is known at the current time, whilst reviewing everything constantly.

- Councillor Benney made the point that the forecast budget is always pessimistic, and it improves during the year which is why the Council had a budget equalisation fund that built up to £1 million because that was where it was budgeted to. Peter Catchpole clarified that it is now built up to £2.2 million.
- Councillor Clark stated that staff can be pushed so far but there does come a time when they cannot be pushed anymore and as a result, they take their expertise somewhere else, and it is a difficult position to be in. Peter Catchpole stated that he agrees with that point and added that he does have a very good working relationship with his team and he is sure that they will let him know if there becomes an issue or problem.
- Peter Catchpole advised the committee that he will be reducing his hours in the new financial year and will be focussing more of his time onto finance and internal audit

**Members AGREED to note:**

- **the activity and performance of the Internal Audit function, and**
- **the current status of agreed actions and review and challenge overdue high-risk items.**

**Members asked for it to be noted that the comments that they had made during the debate and discussion were to be taken into consideration.**

**ARMC22/25 CORPORATE RISK REGISTER REVIEW**

Stephen Beacher presented the report to members.

**Members AGREED the latest Corporate Risk Register.**

**ARMC23/25 AUDIT AND RISK MANAGEMENT COMMITTEE WORKPLAN**

Members considered the Audit and Risk Management Committee workplan.

Deborah Moss stated that members are welcome to feed into the workplan and advise of any matters that they wish to bring forward to a future meeting. She added that she has referred to the Economic, Crime and Corporate Transparency Act and the duties upon the Council to prevent fraud and it was agreed that she would like to provide a briefing to the committee prior to the next meeting.

Deborah Moss stated that if members would like any training on specific topics then please advise

her because as a committee, they have undertaken very little training. She added that this is something that she would welcome because when she undertakes the self-assessment with regards to how effective they are as a committee that will be one of the areas that the committee needs to self-assess themselves on. Councillor Benney stated that he agrees and quite a lot of the training which members have received is historic and, in his view, the training should begin again at the basics in order to bring the committee up to a high standard.

It was agreed that an invitation should be sent out to ask a representative from the Cambridgeshire Fraud Hub to attend a future meeting.

**Members noted the workplan.**

#### **ARMC24/25 ITEMS OF TOPICAL INTEREST**

There were no items of topical interest.

5.35 pm

Chairman