



Cambridge City Council Civic Affairs

Date: Monday, 16 May 2022

Time: 5.30 pm

Venue: Council Chamber, The Guildhall, Market Square, Cambridge, CB2 3QJ

Contact: democratic.services@cambridge.gov.uk, tel:01223 457000

Agenda

- 1 Apologies
- 2 Declarations of Interest
- 3 Minutes (Pages 3 - 14)
- 4 Public Questions
- 5 Officer Delegated Decisions
- 5a To implement the Joint Negotiating Committee for Chief Executives of Local Authorities Pay Award for 2021-22. (Pages 15 - 18)
- 5b To implement the Joint Negotiating Committee for Chief Officers of Local Authorities Pay Award for 2021-22. (Pages 19 - 22)
- 5c To implement the National Joint Council for local government services (NJC) Pay Award for 2021-22. (Pages 23 - 30)
- 6 Internal Audit Plan 2022/23 (Pages 31 - 74)
- 7 Nominations for Committees for the Municipal Year 2022/23 (Pages 75 - 80)

Civic Affairs Members: Davey (Vice-Chair), Bick, Dryden, Flaubert and Gawthrope Wood

Alternates: Dalzell and Moore

Information for the public

The public may record (e.g. film, audio, tweet, blog) meetings which are open to the public.

For full information about committee meetings, committee reports, councillors and the democratic process:

- Website: <http://democracy.cambridge.gov.uk>
- Email: democratic.services@cambridge.gov.uk
- Phone: 01223 457000

Public health and well-being for meeting arrangements

Whilst the situation with COVID-19 is on-going, the Council will be following the latest Government guidance in organising and holding its meetings.

This Meeting will be live streamed to the Council's YouTube page. Those wishing to address the meeting will also be able to do so virtually via Microsoft Teams. Given the ambition to limit numbers of people attending the meeting in person to reduce the risk of infections, we would encourage members of the public who wish to address the Committee to do so virtually.

Should you have to attend in person, we always ask you to maintain social distancing and maintain your face covering unless you are exempt or when speaking at the meeting. Hand sanitiser will be available on entry to the meeting.

If members of the public wish to address the committee either virtually or in person, you must contact Democratic Services democratic.services@cambridge.gov.uk by 12 noon two working days before the meeting.

CIVIC AFFAIRS

2 February 2022

5.35 - 7.26 pm

Present: Councillors Sargeant (Chair), Davey (Vice-Chair), Dryden, Gehring, Dalzell and Moore

Officers:

Chief Executive: Robert Pollock

Assistant Chief Executive: Andrew Limb

Deputy Head of Finance: Jody Etherington

Head of Finance: Caroline Ryba

Head of Human Resources: Deborah Simpson

Head of Shared Internal Audit Service: Jonathan Tully

Principal Internal Auditor: Stephanie Fisher

Committee Manager: Sarah Steed

Meeting Producer: Boris Herzog

Others Present:

Ernst & Young Audit Partner: Mark Hodgson

Ernst & Young External Audit Manager: Jacob McHugh

Independent Person: Rob Bennett

Councillor Bick

FOR THE INFORMATION OF THE COUNCIL**22/1/Civ Apologies**

Apologies were received from Councillors Flaubert and O'Reilly, Councillors Dalzell and Moore attended as alternates.

22/2/Civ Declarations of Interest

Item	Councillor	Interest
22/46/Civ	Dryden	Personal: He received an Members Allowance and may benefit from amendments proposed.

22/3/Civ Minutes

The minutes of the meetings held on 22 September 2021 were approved as a correct record and signed by the Chair.

22/4/Civ Public Questions

There were no public questions.

22/5/Civ External Auditor's Annual Report for the year ended 31 March 2021

The Committee received the Annual Report from Ernst & Young which summarised the key issues arising from the external audit of the 2020-21 Statement of Accounts.

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

- i. Referred to p27 of the agenda (p14 of the Auditor's report) and asked whether any audit differences had been identified. Commented that it was good practice for any audit differences to be recorded publicly.

The Audit Partner advised that the audit difference identified were disclosure rather than numeric differences and these were detailed on p27 of the agenda (p14 of the Auditor's report).

Unanimously resolved:

- i. To note the contents of the Auditor's Annual Report for the year ended 31 March 2021.

22/6/Civ 2021/22 Statement of Accounts - Accounting Policies and Significant Areas of Judgement

The Committee received a report from the Deputy Head of Finance regarding the Statement of Accounts 2021-22 Accounting Policies and Significant Areas of Judgement.

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

- i. Noted the tight deadline to provide a draft Statement of Accounts by 31 May and hoped that the Council would be able to meet this deadline. Asked what the implications would be if the Council could not meet this deadline. Asked what steps the Council was taking to mitigate any impact on the general fund as a result of the consultation on changes to the Minimum Revenue Provision (MRP).

- ii. Asked if Officers required any feedback from Councillors on the Statement of Account process. Did not believe that members of the public would look at or fully understand the Statement of Accounts. Asked for a summary table in the Statement of Accounts.

The Deputy Head of Finance and Head of Finance said the following in response to Members' questions:

- i. It would be a challenge to meet the 31 May Statement of Accounts deadline, but officers would make every effort to meet the deadline.
- ii. Concerns around the consultation on changes to the Minimum Revenue Provision (MRP) centred around the potential impact on capital loans and the knock-on effect of this on the Council's Corporate Objectives and the Housing Development Agency and development involving Cambridge Investment Partnership. The consultation on MRP ended on the 8 February 2022 and a response would be submitted on behalf of the Council. There was some discussion that capital loans may be exempt, but we would have to wait and see.
- iii. Commented that the Statement of Accounts had to comply with requirements set out in legislation but if officers could make the accounts more accessible and understandable then they would do so.

Unanimously resolved:

- i. To note that there are no significant changes to accounting policy anticipated for the 2021-22 Statement of Accounts.
- ii. To note and approve the proposed critical judgements and major sources of estimation uncertainty in respect of the 2021-22 Statement of Accounts.
- iii. To note and approve proposals to improve the presentation of the Statement of Accounts, in line with latest CIPFA guidance.
- iv. To note the request for informal feedback from Civic Affairs Committee members on the current format of the Statement of Accounts, and suggestions for improvement.

22/7/Civ Appointing Person: Arrangements for the Appointment of the External Auditor

The Committee received a report from the Head of Finance / Section 151 Officer regarding the options available to the council regarding the adoption of an appointing person arrangement for the appointment of an external auditor to the council for the years 2023/24 to 2027/28.

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

- i. Noted that when a committee member first became a councillor there were concerns about Public Sector Audit Appointments Limited (PSAA). Asked if Officer's felt confident about appointing PSAA.
- ii. Asked what the process was for providing feedback to PSAA on their level of service.
- iii. Asked how easy it was for PSAA to find auditors.

The Head of Finance said the following in response to Members' questions:

- i. Acknowledged there had been issues with the audit market and delays in the production of audits in the last couple of years. Officers felt confident with the way in which PSAA had communicated their procurement process and their contract management. Encouraged members to have a look at the PSAA website. PSAA had taken criticism seriously. PSAA could be used as a point of reference for any disagreement over fees between Council's and their auditors.
- ii. Confirmed that PSAA conducted surveys and meetings with audit clients so that they could provide feedback on their level of service.
- iii. Noted that it was a challenge for the PSAA to find auditors. One of the frequently asked questions on their website was how many auditors they had who could audit local authorities; understood there were 8 or 9.

Unanimously resolved:

- i. To recommend to Council the adoption of Public Sector Audit Appointments Ltd (PSAA) as the appointing person for the council.
- ii. To delegate acceptance of the invitation to the Head of Finance, as the council's Section 151 Officer.

22/8/Civ Draft Pay Policy Statement 2022/23

The Committee received a report from the Head of Human Resources. The report set out a draft pay policy statement as required under the Localism Act. The Localism Act requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31st March each year.

Councillor Bick attended the Committee and made the following points:

- i. Referred to section 5 of the officer's report and stated that he felt that he had been approached only to be informed about the proposed changes

to performance reviews for Directors and the Chief Executive, rather than to provide input.

- ii. Felt a change such as this should have been done via consensus between Councillors.
- iii. Had been a member of the Chief Officer Performance Review Panel for the past 10 years and could have provided feedback about what worked well and what could be improved.
- iv. Felt the Panel had worked collaboratively on a cross-party basis and had produced a shared output at the end, which meant that Senior Officers were kept out of political conflict.
- v. The report did not explain why the changes were required.
- vi. Asked for a cross-party discussion on the changes proposed in section 5 of the Officer's report before the Committee took a decision.
- vii. Had no issue with a 360-feedback model but this was not the same as a small group of councillors providing the review.

The Head of Human Resources said the following in response:

- i. Apologised that Cllr Bick had not been involved with the process.
- ii. Advised that the proposed performance review process for both Directors and the Chief Executive would still involve Group Leaders and Executive Councillors; there would be a change in who would conduct the meetings.
- iii. For Directors it was proposed that feedback would be gathered internally and externally, and their review would be conducted by their line manager (the Chief Executive).
- iv. For the Chief Executive it was proposed that rather than a body of six councillors, one person (the Leader of the Council) would conduct the meeting after a 360-feedback process.

Councillor Davey also apologised that Councillor Bick had not been involved with the process and said lessons could be learnt. Felt the proposals regarding Chief Officer Performance Reviews enhanced and improved the process.

Councillor Gehring expressed concerns about the proposed changes to the Chief Officer Performance Reviews and the timing of these changes. Stated

that he felt the proposed 360 feedback review could be communicated to the current Chief Officer Performance Review Panel. Asked if under the new process the 360-feedback review would be available to Group Leaders or just to the Leader of the Council.

The Head of Human Resources confirmed that officers would investigate who would be provided with a copy of the 360-feedback review.

Councillor Moore noted that no changes were proposed to the recruitment process of Senior Officers (Director / Chief Executive level).

Councillor Dalzell commented as a minority opposition councillor he had always found the officer team worked with councillors equally and noted that this may have been a legacy of the previous Chief Executive. Shared concerns of colleagues about the proposed changes to Chief Officer Performance Review Process. Queried why the cross-party review panel had been taken away.

Resolved:

- i. Unanimously - to recommend Council approved the draft Pay Policy Statement 2022/2023 attached as Appendix 1 to the officer's report.
- ii. Unanimously – to note the update on the review of senior officer salaries which was scheduled for late 2021 and had now been moved until 2022 due to the delay in the national pay award settlement for 2021 and the forthcoming review of the senior management structure.
- iii. By 4 votes to 2 - to approve the proposal for director performance reviews to be undertaken by the Chief Executive, as outlined in Section 5 of the officer's report.
- iv. By 4 votes to 2 - to approve the proposal for chief executive performance reviews to be undertaken by the Leader, as outlined in Section 5 of the officer's report.
- v. Unanimously - to recommend to Council to delegate authority to the Head of Human Resources to update the Pay Policy Statement 2022/23 should a chief executive and/or chief officer and/or NJC pay award be agreed.

22/9/Civ Risk Management - Committee Update

The Committee received a report from the Principal Internal Auditor which provided an update on the agreed actions from the previous meeting of Civic Affairs Committee in September 2021.

The Committee asked for clarification of the difference between 'residual risk' and 'inherent risk'.

The Principal Internal Auditor said that 'inherent risk' was the total risk before any mitigation measures were taken into consideration. 'Residual risk' took into account controls which had been put in place to mitigate risks.

Unanimously resolved:

- i. To note the work undertaken by Internal Audit since the last committee and the outline of proposals for further Risk Management work to be completed.
- ii. To advise whether subsequent progress reports are required at future meetings of the Committee.

22/10/Civ Amendments to the Constitution Pt4A Appendix F (A) - Protocol on Media Relations

The Committee received a report from the Assistant Chief Executive regarding proposed amendments to the Constitution Part 4A Appendix F(A) – Protocol and Media Relations.

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

- i. Asked if it was necessary to delete as much as was proposed out of the Media Relations Protocol.
- ii. Asked if Appendix B would be incorporated within the Constitution or if it was the process that the City Council would follow.
- iii. Asked if level of information which was currently guaranteed by the Constitution for Opposition Councillors would be safeguarded by the changes.
- iv. Asked why the title about filming council meetings had been changed.

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

- i. The current Media Relations Protocol was outdated and too prescriptive.
- ii. Appendix B was for information and would not be incorporated within the Constitution.
- iii. The parts relating to impartiality would remain. Member involvement in press releases would be largely unchanged. The intention behind the proposed changes was to give more responsibility to the Communications Teams.

- iv. The title about filming council meetings had been changed to reflect the information which would be left in the Constitution.

Resolved (by 5 votes to 1):

- i. To recommend to Council that sections 1-3 of Part 4A Appendix F(A) of the constitution be deleted, as illustrated in Appendix A of the officer's report.

22/11/Civ Members' Allowances/Parental Leave Policy/Virtual Area Committees

The Committee received a report from the Council's Independent Person and the Assistant Chief Executive regarding three topics within democratic services. Firstly the consideration of the Independent Remuneration Panel's report on recommendations for a Members' Allowance Scheme 2022/23; secondly a review of Area Committees which had been held virtually June-December 2021; and finally a response to a Council Motion on a parental leave policy for Councillors.

Councillor Davey proposed the following amendments to the Member Allowance Scheme (deleted text ~~struck through~~, additional text underlined).

Recommendations

- (i) Consider the Panel's report and ~~recommend an~~ with respect to the Allowance Scheme and recommend making the following amendments to Council on 3 March 2022

1) Basic Allowances

The Independent Remuneration Panel Report noted:

"There was a general concern among Councillors that, although the Basic Allowance for City Councillors is now commensurate with that of benchmarked District Councils, the non-typical nature of this council could mean that there are anomalies in the level of Basic Allowance in relation to the spread and depth of responsibilities undertaken by Councillors in Cambridge. The IRP recommends that the level of Basic Allowance be reviewed again in four years – together with the distribution between BA and SRAs."

Cambridge City Council has had a City Deal since 2015 and a Devolution Deal from 2017. These have put additional responsibilities on the Council in addition to those of a District Council. It has also put additional workload on Councillors

and this has been partly reflected by SRAs for those who served on the Greater Cambridge Partnership and Cambridgeshire and Peterborough Combined Authority Boards and Committees. The Basic Allowance however has not been updated to reflect the additional work for Councillors who are for instance directly involved now in transport and highways projects such as the GCP Histon Road and Milton Road schemes and consultations across the city. This has involved working with residents, residents' associations and officers of the GCP and Cambridgeshire County Council and serving as Chairs of Local Liaison Forums.

The Independent Remuneration Panel recommendation is to review the Basic Allowances in 4 years time -2025. This will be 10 years after the City Deal was implemented and 8 years after the Devolution Deal was implemented increasing the responsibilities and workload for Cambridge City Councillors.

Civic Affairs Committee therefore resolves to ask the Independent Remuneration Panel to review the Basic Allowance for Councillors due to the non-typical nature of Cambridge City Council in addition to benchmarked District Councils with an in-year recommendation to be back dated to the beginning of the 2022 / 23 municipal year.

2) Planning Committee and Joint Development Control Committee SRAs

The Planning Committee and Joint Development Control Committee both meet on a monthly basis with meetings lasting typically all day for the Planning Committee and nearly all day for the Joint Development Control Committee. They are regulatory committees and are therefore making decisions on behalf of the Council. They are also involved in site visits. Both committees are typically composed of members who are retired or of independent means and are therefore unrepresentative of Cambridge City Councillors and residents.

Members of the Planning Committee receive 15% of SRA and members of the Joint Development Control Committee receive no SRA. This does not reflect the workload for members of these 2 committees.

Civic Affairs Committee therefore resolves to address this situation by updating the SRAs:

Planning Committee members 30% of Basic Allowance

Joint Development Control Committee members 20% of Basic Allowance

3) SRA for Leader

Civic Affairs Committee notes that the Independent Remuneration Panel recommends the two Deputies SRAs at 25% of an Executive Councillor's allowance – i.e. 0.5 times Basic Allowance. While welcoming this recognition of the role of the Deputy Leaders, this would create the anomaly that Deputy Leaders that have a portfolio responsibility will have allowances close to that of the Leader of the Council - Leader 2.75 Basic Allowance, Deputy Leader with portfolio responsibility 2.5 Basic Allowance.

Civic Affairs therefore resolves that the SRA for the Leader should be 3 times Basic Allowance to recognise the responsibilities of the Leader of Cambridge City Council

- 4) Any percentage increase in the Basic Allowance increases in line with the National Living Wage

On a show of hands the amendment was carried by 4 votes to 0.

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

- i. Thanked the Independent Remuneration Panel for their report. Wanted the seven recommendations to come back to the Civic Affairs Committee. Asked for the Greater Cambridge Partnership (GCP) and Combined Authority (CA) special responsibility allowances (SRA) to be included in the review.
- ii. Queried why the amendment proposed to increase the Leader's SRA.
- iii. Asked the Independent Person why the IRP recommended that Member Allowances were increased by the index used for City Council employees and then asked why the amendment proposed to increase Members Allowances by the National Living Wage.
- iv. Was pleased that the Parental Leave Policy was moving forward.
- v. Would like to discuss the tabled amendments to the Members Allowances Scheme with their group and would therefore abstain from the Civic Affairs Committee vote.

Councillor Davey advised that when the level of SRA for the Deputy Leader with Executive Portfolio was calculated they would be receiving a higher SRA than the Leader. The Leader's SRA was therefore adjusted so that they were in receipt of a higher SRA.

The Independent Person advised that the recommendation to increase Member's Allowances by the index used for City Council employees came out of discussions with Members as part of their review.

Councillor Davey advised that the amendment to increase Members Allowances by the National Living Wage was felt to be more equitable and reflect the level of responsibility and work members undertook.

Councillor Moore advised that the Labour Group had carried out their own benchmarking exercise regarding SRAs paid to other Council Leaders.

Councillor Sargeant commented that the role of the Leader of the Council was in itself like a full-time job and that it was difficult to compare against equivalent District Council Leader roles. He also asked for a review of the points made in paragraph 1.5 of the officer's report (on page 117 of the agenda) preferably within 6 months.

Resolved (by 4 votes to 0):

- i. To recommend the Members Allowance Scheme as amended to Council on 3 March 2022.
- ii. To receive a progress report on the Independent Remuneration Panel's non-financial recommendations in February 2023.
- iii. To recommend to Council that Area Committees continued virtually for March 2022 as set out in paragraph 1.6 of the officer's report.
- iv. To note a report recommending a parental leave policy would be submitted later this year.

The meeting ended at 7.26 pm

CHAIR

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CAMBRIDGE CITY COUNCIL

Officer Record of Decision

What decision(s) has been taken:	To implement the Joint Negotiating Committee for Chief Executives of Local Authorities Pay Award for 2021-22.
Who made the decision:	Head of Human Resources
Date decision made:	16 February 2022
Matter for Decision /Wards affected	To implement the nationally agreed pay award for chief executives following receipt of notification by circular from the Joint Negotiating Committee for Chief Executives of Local Authorities dated 3 February 2022.
Reason(s) for the decision including any background papers considered	Decision delegated from Civic Affairs Committee The pay award for the chief executive level posts is determined by national level collective bargaining between the national employers and trade unions. Once agreed at a national level the City Council implements the pay award in accordance with the terms of staff contracts of employment.
Any alternative options considered and rejected:	
Conflicts of interest and dispensations granted by the Chief Executive:	None
Other Comments:	<p>This decision is taken in accordance with the delegated authority from Civic Affairs Committee to the Head of Human Resources, as follows:</p> <p>To implement any award of a joint negotiating body so far as it concerns rates of salary, wages, car allowances or other allowances payable to officers and other employees of the Council except where the terms thereof involve the exercise of a discretion by the Council provided that when any action is taken in pursuance of this paragraph members are advised by the Head</p>

of Human Resources and a record of that advice be made available to the public.

Reference: 22/Civ/2

Contact for further information: Deborah Simpson, Head of Human Resources

Joint Negotiating Committee for Chief Executives of Local Authorities

**To: Chief Executives in England and Wales (N Ireland for information)
(copies for the Finance Director and HR Director)
Regional Directors
Members of the Joint Negotiating Committee**

3 February 2022

Dear Chief Executive,

CHIEF EXECUTIVES' PAY AGREEMENT 2021-22

Agreement has now been reached on the pay award applicable from **1 April 2021**.

The individual basic salaries¹ of all officers within scope of the JNC for Chief Executives of Local Authorities should be increased by 1.50 per cent with effect from 1 April 2021. Employers are encouraged to implement this pay award as swiftly as possible.

This pay agreement covers the period 1 April 2021 to 31 March 2022.

Backpay for employees who have left employment since 1 April 2021

If requested by an ex-employee to do so, we recommend that employers should pay any monies due to that employee from 1 April 2021 to the employee's last day of employment.

When salary arrears are paid to ex-employees who were in the LGPS, the employer must inform its local LGPS fund. Employers will need to amend the CARE and final pay figures (if the ex-employee has pre-April 2014 LGPS membership) accordingly. Further detail is provided in [section 15 of the HR guide](#) which is available on the [employer resources section](#) of www.lgpsregs.org

Yours faithfully,

Naomi Cooke

Ian Miller

Joint Secretaries

¹ Basic salary should exclude other separately identified payments such as Returning Officer fees etc.

Employers' Secretary: Naomi Cooke Local Government Association 18 Smith Square London SW1P 3HZ info@local.gov.uk	Officers' Secretary: Ian Miller Hon Secretary ALACE alacehonsec@yahoo.co.uk
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CAMBRIDGE CITY COUNCIL

Officer Record of Decision

What decision(s) has been taken:	To implement the Joint Negotiating Committee for Chief Officers of Local Authorities Pay Award for 2021-22.
Who made the decision:	Chief Executive
Date decision made:	18 February 2022
Matter for Decision /Wards affected	To implement the nationally agreed pay award for chief officers following receipt of notification by circular from the Joint Negotiating Committee for Chief Officers of Local Authorities dated 9 February 2022.
Reason(s) for the decision including any background papers considered	Decision delegated from Civic Affairs Committee.
Any alternative options considered and rejected:	The pay award for the chief officer level posts (Directors and Heads of Service on HOS grade) is determined by national level collective bargaining between the national employers and trade unions. Once agreed at a national level the City Council implements the pay award in accordance with the terms of staff contracts of employment.
Conflicts of interest and dispensations granted by the Chief Executive:	The Chief Executive is exercising this decision as the Head of Human Resources has a personal interest in this pay award.
Other Comments:	<p>This decision is taken in accordance with the delegated authority from Civic Affairs Committee to the Head of Human Resources, as follows:</p> <p>To implement any award of a joint negotiating body so far as it concerns rates of salary, wages, car allowances or other allowances payable to officers and other employees of the Council except where the terms thereof involve the exercise of a discretion by the Council provided that when any action is taken</p>

in pursuance of this paragraph members are advised by the Head of Human Resources and a record of that advice be made available to the public.

Reference: 22/Civ/1

Contact for further information: Robert Pollock, Chief Executive

Joint Negotiating Committee for Chief Officers of Local Authorities

**To: Chief Executives in England and Wales (N Ireland for information)
(copies for the Finance Director and HR Director)
Regional Directors
Members of the Joint Negotiating Committee**

9 February 2021

Dear Chief Executive,

CHIEF OFFICERS' PAY AGREEMENT 2021-22

Agreement has now been reached on the pay award applicable from **1 April 2021**.

The individual basic salaries¹ of all officers within scope of the JNC for Chief Officers of Local Authorities should be increased by 1.50 per cent with effect from 1 April 2021 (NB: the percentage increases apply to individual salaries as well as pay points, if applicable). Employers are encouraged to implement this pay award as swiftly as possible.

This pay agreement covers the period 1 April 2021 to 31 March 2022.

Backpay for employees who have left employment since 1 April 2021

If requested by an ex-employee to do so, we recommend that employers should pay any monies due to that employee from 1 April 2021 to the employee's last day of employment.

When salary arrears are paid to ex-employees who were in the LGPS, the employer must inform its local LGPS fund. Employers will need to amend the CARE and final pay figures (if the ex-employee has pre-April 2014 LGPS membership) accordingly. Further detail is provided in [section 15 of the HR guide](#) which is available on the [employer resources section](#) of www.lgpsregs.org

Yours faithfully,

Naomi Cooke

Naomi Cooke



Rehana Azam

cc Mike Short, UNISON

¹ Basic salary should exclude other separately identified payments such as Returning Officer fees etc.

Employers' Secretary:
Naomi Cooke
Local Government Association
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SW1P 3HZ
info@local.gov.uk

Officers' Secretary:
Rehana Azam
GMB
Mary Turner House
22 Stephenson Way
London NW1 2HD
info@gmb.org.uk

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CAMBRIDGE CITY COUNCIL

Officer Record of Decision

What decision(s) has been taken:	To implement the National Joint Council for local government services (NJC) Pay Award for 2021-22.
Who made the decision:	Head of Human Resources
Date decision made:	28 February 2022
Matter for Decision /Wards affected	Decision delegated from Civic Affairs Committee
Reason(s) for the decision including any background papers considered	To implement the nationally agreed pay award for staff on Bands 1-11 following receipt of notification by circular from the National Joint Council for local government services (NJC) dated 28 February 2022. The award is for 1.75%.
Any alternative options considered and rejected:	The pay award for staff on pay bands 1-11 is determined by national level collective bargaining between the national employers and trade unions. Once agreed at a national level the City Council implements the pay award in accordance with the terms of staff contracts of employment.
Conflicts of interest and dispensations granted by the Chief Executive:	None
Other Comments:	<p>This decision is taken in accordance with the delegated authority from Civic Affairs Committee to the Head of Human Resources, as follows:</p> <p>To implement any award of a joint negotiating body so far as it concerns rates of salary, wages, car allowances or other allowances payable to officers and other employees of the Council except where the terms thereof involve the exercise of a discretion by the Council provided that when any action is taken</p>

in pursuance of this paragraph members are advised by the Head of Human Resources and a record of that advice be made available to the public.

Reference: TBC

Contact for further information: Deborah Simpson, Head of Human Resources

National Joint Council for local government services

Employers' Secretary
Naomi Cooke

Trade Union Secretaries
Rehana Azam, GMB

Mike Short, UNISON

Address for correspondence
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info@local.gov.uk

Address for correspondence
UNISON Centre
130 Euston Road
London NW1 2AY
Tel: 0845 3550845
localgovernment@unison.co.uk

**To: Chief Executives in England, Wales and N Ireland
(copies for HR and Finance Directors)
Members of the National Joint Council**

28 February 2022

Dear Chief Executive,

LOCAL GOVERNMENT SERVICES PAY AGREEMENT 2021-22

Pay

Agreement has been reached on rates of pay applicable from **1 April 2021**.

Employers are encouraged to implement this pay award as swiftly as possible.

The new pay rates are attached at **Annex 1**. The new rates for allowances, uprated by 1.75 per cent, are set out at **Annex 2**.

The NJC has agreed to recommence the review of Term-Time Only working arrangements, which was paused at the outbreak of the pandemic.

The NJC has also agreed to enter into discussions on homeworking policies, mental health support and maternity etc leave.

Backpay for employees who have left employment since 1 April 2021

If requested by an ex-employee to do so, we recommend that employers should pay any monies due to that employee from 1 April 2021 to the employee's last day of employment.

When salary arrears are paid to ex-employees who were in the LGPS, the employer must inform its local LGPS fund. Employers will need to amend the CARE and final pay figures (if the ex-employee has pre-April 2014 LGPS membership) accordingly. Further detail is provided in [section 15 of the HR guide](#) which is available on the [employer resources section](#) of www.lgpsregs.org

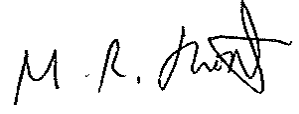
Yours sincerely,

*Naomi
Cooke*

Naomi Cooke

A handwritten signature in black ink, appearing to read 'R. Azam' with a stylized flourish at the end.

Rehana Azam

A handwritten signature in black ink, appearing to read 'M. R. Short' with a stylized flourish at the end.

Mike Short

ANNEX 1

SCP	01-Apr-20		01-Apr-21	
	per annum	per hour	per annum	per hour
1	£17,842	£9.25	£18,333	£9.50
2	£18,198	£9.43	£18,516	£9.60
3	£18,562	£9.62	£18,887	£9.79
4	£18,933	£9.81	£19,264	£9.99
5	£19,312	£10.01	£19,650	£10.19
6	£19,698	£10.21	£20,043	£10.39
7	£20,092	£10.41	£20,444	£10.60
8	£20,493	£10.62	£20,852	£10.81
9	£20,903	£10.83	£21,269	£11.02
10	£21,322	£11.05	£21,695	£11.25
11	£21,748	£11.27	£22,129	£11.47
12	£22,183	£11.50	£22,571	£11.70
13	£22,627	£11.73	£23,023	£11.93
14	£23,080	£11.96	£23,484	£12.17
15	£23,541	£12.20	£23,953	£12.42
16	£24,012	£12.45	£24,432	£12.66
17	£24,491	£12.69	£24,920	£12.92
18	£24,982	£12.95	£25,419	£13.18
19	£25,481	£13.21	£25,927	£13.44
20	£25,991	£13.47	£26,446	£13.71
21	£26,511	£13.74	£26,975	£13.98
22	£27,041	£14.02	£27,514	£14.26
23	£27,741	£14.38	£28,226	£14.63
24	£28,672	£14.86	£29,174	£15.12
25	£29,577	£15.33	£30,095	£15.60
26	£30,451	£15.78	£30,984	£16.06
27	£31,346	£16.25	£31,895	£16.53
28	£32,234	£16.71	£32,798	£17.00
29	£32,910	£17.06	£33,486	£17.36
30	£33,782	£17.51	£34,373	£17.82
31	£34,728	£18.00	£35,336	£18.32
32	£35,745	£18.53	£36,371	£18.85
33	£36,922	£19.14	£37,568	£19.47
34	£37,890	£19.64	£38,553	£19.98
35	£38,890	£20.16	£39,571	£20.51
36	£39,880	£20.67	£40,578	£21.03
37	£40,876	£21.19	£41,591	£21.56
38	£41,881	£21.71	£42,614	£22.09
39	£42,821	£22.20	£43,570	£22.58
40	£43,857	£22.73	£44,624	£23.13
41	£44,863	£23.25	£45,648	£23.66
42	£45,859	£23.77	£46,662	£24.19
43	£46,845	£24.28	£47,665	£24.71

NB: hourly rate calculated by dividing annual salary by 52.143 weeks (which is 365 days divided by 7) and then divided by 37 hours (the standard working week)

Part 3 Paragraph 2.6(e) Sleeping-in Duty Payment:

1 April 2021
£37.72

**RATES OF PROTECTED ALLOWANCES AT 1 APRIL 2021
(FORMER APT&C AGREEMENT (PURPLE BOOK))**

Paragraph 28(3) Nursery Staffs in Educational Establishments - Special Educational Needs Allowance

1 April 2021
£1,347

Paragraph 28(14) Laboratory / Workshop Technicians

City and Guilds Science Laboratory Technician's Certificate Allowance:

1 April 2021
£219

City and Guilds Laboratory Technician's Advanced Certificate Allowance:

1 April 2021
£159

Paragraph 32 London Weighting and Fringe Area Allowances £ Per Annum

Inner Fringe Area:

1 April 2021
£914

Outer Fringe Area:

1 April 2021
£637

Paragraph 35 Standby Duty Allowance - Social Workers (1)(a)(i) Allowance - Per Session

1 April 2021
£30.35

FORMER MANUAL WORKER AGREEMENT (WHITE BOOK)

Section 1 Paragraph 3 London and Fringe Area Allowances £ Per Annum

Inner Fringe Area:

1 April 2021

£914

Outer Fringe Area:

1 April 2021

£637

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Item

INTERNAL AUDIT UPDATE

To:

Civic Affairs Committee [16th May 2022]

Report by:

Jonathan Tully, Head of Shared Internal Audit Service

Tel: 01223 - 458180 Email: jonathan.tully@cambridge.gov.uk

Wards affected:

All

1. Introduction / Executive Summary

- 1.1 This report introduces the proposed Internal Audit Annual Plan and Strategy, for the next six months of the 2022 / 2023 financial year, for consideration by the Civic Affairs Committee.
- 1.2 The report also includes a progress update from the past six months work, plus our current opinion on the internal control environment, governance and risk management arrangements.
- 1.3 Internal Audit Plans, and associated documents, have been created in line with best practice laid down in the Public Sector Internal Audit Standards (PSIAS) and the accompanying Local Government Application Note (LGAN).

2. Recommendations

- 2.1 Civic Affairs Committee is requested to consider the supporting information, in the appendices, to:
 - i) approve the draft Audit Plan and Strategy; and
 - ii) approve the supporting Charter and the Code of Ethics.

3. Background

Page: 2

- 3.1 The Accounts and Audit Regulations 2015 require that the Council “must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes; taking into account public sector internal auditing standards or guidance.”
- 3.2 The Public Sector Internal Audit Standards (PSIAS) require that the Head of Audit “must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”.
- 3.3 The PSIAS also requires the Head of Audit to provide a written report to those charged with governance to support the Annual Governance Statement (AGS), which accompanies the Statement of Accounts. This includes an opinion on the overall adequacy and effectiveness of the organisation’s internal control environment, governance, and the risk management framework.
- 3.4 Appendix A is the risk-based Audit Plan which is continually updated. It has been based upon the Corporate Plan, risk registers, ongoing consultation with key officers, committee reports, information from other assurance processes, plus horizon scanning to consider emerging risks and opportunities.
- 3.5 The Audit Plan is the work programme for Internal Audit and provides the basis upon which we will subsequently give an audit opinion on Cambridge City Council’s (CCC) system of internal control, risk management and corporate governance arrangements.
- 3.6 It is good practice to operate an agile audit plan that continuously adapts in response to the governance risk and control environment of the Council. Our Audit Plan is based around a long-term framework of reviews, which typically covers a three-year period. Audits are prioritised according to several risk-based determinants. We are presenting a 6-month plan, focussing on the key areas of assurance, and we will bring back a further report to the Committee later in the year. It is important that the Audit Plan continues to prioritise relevance, speed and flexibility in addressing risks as they develop. This will enable us to utilise our resources as effectively as possible to provide an effective audit opinion for the Council, and to proactively communicate topical risks and assurance to the Committee.

- 3.7 Appendix B provides a progress update from the past six months, plus the current opinion on the overall adequacy and effectiveness of the organisation's internal control environment, governance, and the risk management framework
- 3.8 The Internal Audit Charter (Appendix C) and the Code of Ethics (Appendix D) are also appended for information. They are regularly reviewed as part of an ongoing Quality Assurance and Improvement Programme (QAIP) considering both the PSIAS and the LGAN. The documents are substantially the same as last year. Minor name and procedural changes have been made to reflect the current organisational structures. However, it is good practice to present these documents annually as they define internal audit's purpose, authority, responsibility and position within an organization, supporting the delivery of the risk-based audit plan.

4. Implications

(a) Financial Implications

None.

(b) Staffing Implications

None.

(c) Equality and Poverty Implications

None.

(d) Environmental Implications

None.

(e) Procurement Implications

None.

(f) Community Safety Implications

None.

5. Consultation and communication considerations

Not applicable.

6. Background papers

Background papers used in the preparation of this report:

- Risk-Based Internal Auditing – Working Standards and Procedures
- Public Sector Internal Audit Standards
- CIPFA Local Government Application Note
- Cambridge City Council Risk Registers
- Corporate Plan

7. Appendices

- a) Internal Audit Plan and Strategy
- b) Progress Update
- c) Internal Audit Charter
- d) Internal Audit Code of Ethics
- e) Glossary of Terms

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jonathan Tully, Head of Shared Internal Audit Service, tel: 01223 - 458180, email: jonathan.tully@cambridge.gov.uk.

Appendix A – Internal Audit Plan 2022/2023



Cambridge City Council

1 Introduction

- 1.1 This document is intended to demonstrate how Internal Audit will support the overall aims and objectives of the Council. It will be reviewed throughout the year to ensure its continued relevance, both in terms of supporting the council's aims and in achieving a professional, modern audit service.
- 1.2 The Accounts and Audit Regulations 2015 require that the Council "must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes; taking into account public sector internal auditing standards or guidance."
- 1.3 The Public Sector Internal Audit Standards (PSIAS) require that the Head of Audit "must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals".
- 1.4 Internal Audit provides an independent, objective assurance and consulting service that adds value and improves the Council's control environment. It helps the Council deliver its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.5 The provision of assurance is the key role for Internal Audit. This role requires the Head of Shared Internal Audit to provide an annual Audit Opinion based on an objective assessment of the framework of governance, risk management and control. This opinion is provided to the Committee and also feeds into the

Annual Governance Statement. The team also completes consulting services. These are advisory in nature, and are generally performed at the specific request of management with the aim of improving operations. Requests of this nature are considered in light of resource availability and our primary role of assurance.

2 Strategy

- 2.1 Greater Cambridge Shared Audit was established as a shared service between Cambridge City Council (CCC) and South Cambridgeshire District Council (SCDC) in 2017.
- 2.2 Our aim is to deliver a co-ordinated audit plan for both Councils.
- 2.3 There are already a number of shared services, and this joint approach enables work to be undertaken which reflects the priorities for both Councils whilst getting the benefits of co-ordinated reviews which can be covered in partnership.
- 2.4 The strategy, and vision, of the Internal Audit team is: "To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight".

3 Internal Audit Plan

- 3.1 Our work will support the Council's corporate objectives, and the corporate governance framework.
- 3.2 Our plan considers the Council's Corporate Plan, risk registers, consultation with stakeholders, committee reports, information from other assurance processes, plus horizon scanning to consider emerging risks and opportunities.
- 3.3 This identifies potential reviews, which are subsequently prioritised. Factors taken into account include materiality; corporate importance, vulnerability, risks and opportunities. The overall aim is to add value by providing assurance, improving controls and reducing risk.
- 3.4 There needs to be a flexible approach to planning, to ensure that our work meets the needs of the Council in the continually changing risk and control environment. The risk-based planning approach enables the plan to be updated when new reviews are identified. The plan will be reviewed and monitored throughout the year, with regular updates reported to the Civic Affairs Committee.
- 3.5 The internal audit work should address key risk areas and draw attention to significant concerns and what needs to be done. Ideally the plan will provide coverage across the whole organisation, and some reviews may be cross cutting and involve multiple teams and partners. This enables the Head of

Shared Internal Audit to produce an annual internal audit opinion that can be used to inform the Annual Governance Statement.

4 Resources

- 4.1 Resource requirements are reviewed each year as part of the audit planning process. The current establishment for the audit team enables sufficient resource to deliver our risk-based plan.
- 4.2 The broad scope of activities within the Council means that demand for potential reviews will exceed the number of available days within a year. The risk-based planning approach identifies and matches audit work to the available audit resources, based on where the most value can be added.
- 4.3 The Internal Audit plan needs to be agile and flexible enough to enable the Internal Audit service to be reactive as required to situations arising during the course of the period covered by the plan.
- 4.4 Time allocations for reviews are based on planning, plus experience from previous reviews. As each audit activity is fully scoped and agreed with the appropriate senior manager, each job will then be monitored to that time allocation.

5 Assurance Type and Key Themes

5.1 As in previous years, Internal Audit will continue to support the governance, risk and control environment within the Council. There will continue to be liaison with key stakeholders, such as the external auditors so that resources are used effectively.

5.2 The main types of audit and assurance work are:

Type	Details
Corporate Plan Objectives	Our audit plan is risk based and coverage will be prioritised towards the corporate priorities and risks to the Council, to help ensure that desired outcomes are delivered efficiently. The plan is grouped by the key objectives of the Council.
Core Assurance	We undertake audits reviews which aim to provide assurance that corporate systems and processes are robust and protect the Council. These will typically involve work around key financial systems, management controls, and programmed annual assurance.
Third party	We will take assurance from third parties where appropriate. This could include audit or review work in partnerships where another organisation is the lead stakeholder, or where a third party with professional expertise or a legal obligation has undertaken a review. If the outcome of these reviews impacts the control environment this may prompt us to undertake our own work in this area.

5.3 For each audit review, a brief description of the scope for the work is provided together with the type of audit. Timing and detailed scopes for each audit will be agreed with the relevant Senior Manager prior to commencement of the fieldwork.

- 5.4 Our reviews are categorised by themes to help us communicate the areas of focus. Our major key themes for 2022 / 2023 include:

Theme	Details
Transformation	The Council continually seeks continuous improvement. We will proactively support this process as new opportunities are identified. We will also review any new key systems, once they are implemented, for benefits realisation and to provide assurance that key controls continue to operate effectively.
Resilience and recovery	The plan will need to reflect the continuous changing risk and control environment following major events which are driving rapid change across the Council. Recognition that hybrid working practices may lead to further change in working practices. We will add value to the Council by providing real-time assurance on new and developing processes and controls.
Governance	We will review key governance areas where there is a statutory requirement to undertake specific work, and this will feature in the Annual Governance Statement.
Counter fraud	The fraud risk profile increased during the COVID-19 pandemic as fraudsters identified the opportunity to take advantage of reduced internal controls and the urgency of government led support. We continue to be alert to these risks and will review the controls in place.

6 Follow-ups

- 6.1 To ensure that agreed actions are being implemented, follow-up work will be carried out. If a review resulted in significant recommendations, then a full audit may be planned to evaluate the effectiveness of the implementation.

7 Other activities

7.1 In addition to delivering the risk-based audit plan, resources are allocated to deliver other assurance-based activities. Examples include:

- Advice and consultancy: (participating in working groups such as information governance, procurement and project management);
- Anti-fraud and corruption: (including response, proactive work and data analytics);
- Governance: (activities which help deliver the assurance framework including Annual Governance Statement, Risk Management).

8 Summary

8.1 The draft internal audit plan will add value to the Council by helping to improve systems, mitigate risks, and inform the Annual Governance Statement.

9 Our forward plan

9.1 We calculate our resources annually. The table below provides an overview of audit work in the plan for the next 12 months, by audit area, and a comparison with the previous year.

Audit area	Days	Current year	Previous Year
Corporate Plan Objectives	254	44%	46%
Core Assurance	81	14%	12%
Governance, Risk and Control	84	15%	12%
Other resource provisions	155	27%	30%
Grand Total	595	100%	100%

This is the allocation of work for Cambridge City Council and demonstrates how we expect resources to be consumed. It is broadly similar to the previous year.

A more detailed breakdown of planned assurance work for the next six months is given on the pages that follow.

- 9.2 Corporate Plan Objectives are reviews of systems and processes which have been risk appraised. The reviews planned for the next six months are listed in the table below:
- 9.3 Core Assurance work involves reviews of systems that are fundamental to the Council's governance, risk and control environment. They provide assurance to the s.151 officer for their commentary included in the authority's Annual Statement of Accounts. This type of work will also include mandatory activities, such as providing assurance to third parties, such as Central Government, and can also help to provide assurance for the External Auditor.

Audit	Assurance type	Progress update	Scope and description
Corporate Plan Objectives			
Whistleblowing effectiveness review	Governance	This work is in progress.	We will complete a compliance review to best practice standards, to inform a scheduled revision of the Policy.
Corporate Complaints and Feedback	Governance	This review is in progress	Review of the complaints process to provide assurance that it is effective in helping the Council to continuously improve its services
Fire Safety Governance	Compliance	This review is in progress.	Review of Corporate framework for Fire Risk Management - recognising there was a policy change introduced in 2019/20. Assurance around compliance on key Health and safety areas
Carbon management - Data Quality	Data quality	This work is scheduled for later in the year.	Council carbon emission data is collected to produce an annual Greenhouse Gas report. Data is quality assured by Internal Audit before being published.
Procurement – Contract Management	Policy and procedures	This work is scheduled for later in the year.	Review of policies and procedures for effective contract management

Audit	Assurance type	Progress update	Scope and description
Business Transformation	Transformation	This work is scheduled for later in the year.	Resource allocated for project-based assurance – key projects to be identified as required.
Information Governance - GDPR	Governance	This work is scheduled for later in the year.	Time allocated for a review of a selection of thematic areas.
Core Assurance Work			
Payroll – Core controls	Key Financial System	This work is scheduled for later in the year.	An annual key control review as this is a significant system.
Grant assurance - Disabled Facility Grant	Grant assurance	This work is scheduled for later in the year.	Certification of the annual grant payment from the Better Care Fund allocated to District Councils via the County Council. Review of a sample of payments made in respect of disabled facilities.
Financial Management Code	Policy and procedures	This work is in progress.	To provide assurance that the Council has effectively implemented a Financial Management Code.
Grant assurance – Business Grants PPAS	Grant assurance	This work is in progress.	PPAS is the BEIS term for Post Payment and Assurance Sampling. We will sample test grant payments to provide Central Government with assurance that effective internal controls were in operation throughout the grant process. Target timeline to be defined by BEIS.
Grant assurance - Energy Rebate Schemes	Grant assurance	This work is scheduled for later in the year.	Controls evaluation of new procedures developed at pace. Further sample testing of payments to provide assurance that effective internal controls are in operation throughout the payment allocation process.

Audit	Assurance type	Progress update	Scope and description
Grant assurance – Homes for Ukraine	Grant assurance	This work is scheduled for later in the year.	Controls evaluation of new procedures developed at pace. Further sample testing of payments to provide assurance that effective internal controls are in operation throughout the payment allocation process.
Ethics, Culture and Governance	Governance	This work is scheduled for later in the year.	Each year we will allocate some resource to assess and make appropriate recommendations to improve the organisation's governance processes, including promoting appropriate ethics and values within the organisation.
Benefits - parameter testing	Key Financial System	This work is scheduled for later in the year.	Resource allocated for System Parameter Testing of the benefits system.

Governance, Risk and Control

- 9.4 Each year the Council issues a statement on the effectiveness of its governance arrangements. Internal Audit completes work which supports the production of the Annual Governance Statement throughout the financial year. This includes:

Activity	Audit scope and description
Annual Audit Opinion	This is the annual report, produced by the Internal Audit lead for their relevant audit committee, to provide an opinion on the state of governance and the internal control framework in place within the Council.
Internal Audit Effectiveness	A regular review of the Internal Audit service, to the Public Sector Internal Audit Standards and the Local Government Application Note, is completed. This is also known as a Quality Assurance and Improvement Program.
Annual Governance Statement	Internal Audit supports the development of the Annual Governance Statement, the associated Action Plan and review of the Local Code of Governance.
Prevention of Fraud and Corruption	Internal Audit supports development and awareness of fraud and error risks across the Council. A summary is reported annually to the Civic Affairs Committee on the status and levels of fraud, whistleblowing and corruption within the Council. A national survey is completed annually to help identify potential fraud risks. In addition, Internal Audit co-ordinates, the National Fraud Initiative, a proactive data matching exercise, and is a key contact for data analytical tools.
Risk Management	Internal Audit is the corporate lead and facilitates the Risk Management Strategy and Framework. An allocation of time is also made for administration of the corporate 4Risk system. We anticipate a major system upgrade to be implemented within the next 12 months.

Other resource provisions

- 9.5 Throughout the year, audit activities will include reviews that have not been specified within the Audit Plan, including management requests as a result of changing risks; following up agreed audit actions and completion of audit works from previous plans. Examples include:

Activity	Audit scope and description
Carry forward activities	A number of reviews continue from the previous plan, due to other activities taking precedence e.g. investigations or corporate projects.
Follow up provision	A number of audits completed in previous years, where there have been concerns identified, are followed up to ensure that agreed recommendations have been implemented.
Contingency: requested work / advice / irregularities	<p>Internal Audit act as a focal point to assist officers across the Council in providing advice / support in relation to projects; contracts; procurement or general controls.</p> <p>No matter how robust services and processes are, there is always the potential for anomalies to occur. Internal Audit assists by providing pro-active counter fraud work; and reactive work for suspected irregularities and whistleblowing referrals.</p> <p>An element of time has been set aside to allow for these activities within the plan.</p>

Appendix B – Progress update and Opinion

1 Introduction

- 1.1 Management is responsible for the system of internal control and establishes policies and procedures to help ensure that the system is functioning correctly. On behalf of the Civic Affairs Committee, Internal Audit acts as an assurance function by providing an independent and objective opinion on the control environment.
- 1.2 The purpose of this section of the report is to provide an update on the recent work completed by internal audit and report our overall opinion on the control environment. This opinion will in turn be used to inform the Annual Governance Statement which accompanies the Statement of Accounts.
- 1.3 Where appropriate, reports are given an overall opinion based on four levels of assurance. This is based on the evaluation of the control and environment, and the type of recommendations we make in each report. If a review has either “Limited” or “No” assurance, the system is followed up to review if the actions are implemented promptly and effectively. Further information is available in Appendix E – Glossary of terms.

2 Resources and team update

- 2.1 An audit plan is presented at least annually to the Civic Affairs Committee. It is good practice to continually review the plan, to reflect emerging risks, revisions to corporate priorities, and changes to resourcing factors.
- 2.2 The team is currently fully resourced. We have maintained our periodic PSIAS assessments and identified learning and development opportunities for the team in 2022/2023.
- 2.3 At the June 2020 meeting the Committee approved our current approach to an audit plan and that, moving forwards, a six-month plan was the most appropriate approach. This gave us the flexibility to respond to emerging events and deliver an audit plan that added value to the Council.
- 2.4 As anticipated, we have been providing the Council with support on Business Grant stimulus packages. The amount of resource required for this activity has impacted our normal assurance work. However, we are pleased to have still completed audit reviews in the period as this enables us to provide an opinion for the Annual Governance Statement.
- 2.5 Progress of the plan delivery is illustrated on the following pages for information. We previously reported to the Committee in September 2021.

3 Assurance

- 3.1 The audit plan enables me to provide an independent opinion on the adequacy and effectiveness of the systems of internal control in place (comprising risk management, corporate governance and financial control). This opinion will inform the Annual Governance Statement.
- 3.2 Our work is carried out to assist in improving control. Management maintains responsibility for developing and maintaining an internal control framework. This framework is designed to ensure that:
- the Council's resources are utilised efficiently and effectively;
 - risks to meeting service objectives are identified and properly managed; and
 - corporate policies, rules and procedures are adequate, effective and are being complied with.
- 3.3 Assurance is received from a number of sources. These include the work of Internal Audit; assurance from the work of the External Auditor; the Annual Governance Statement together with the Local Code of Corporate Governance and the Risk Management process. This enables a broader coverage of risks and ensures that the totality of the audit, inspection and control functions deployed across the organisation are properly considered in arriving at the overall opinion.
- 3.4 If the audit reviews undertaken identified that the control environment was not strong enough, or was not complied with sufficiently to prevent risks to the organisation, Internal Audit has issued recommendations to further improve the system of control and compliance. Where these recommendations are considered to have significant impact on the system of internal control, the implementation of actions is followed-up by Internal Audit and is reported to Civic Affairs Committee.
- 3.5 It is the opinion of the Head of Shared Internal Audit that, taking into account all available evidence, reasonable assurance may be awarded over the adequacy and effectiveness of the Council's overall internal control environment, governance and risk management arrangements. This remains at a similar level to the previous period, based on the outcomes of our work, however we recognise the risks and challenges that the Council has faced with recent global events and the potential impact this has on the control environment. Consequently, our ongoing audit plan now features Resilience and Recovery as one of our key themes.

4 Independence and Objectivity



- 4.1 It is important that the Internal Audit service is sufficiently independent to provide an objective annual opinion. We safeguard against any potential ethical threats by preparing an Internal Audit Code of Ethics, which is presented to the Committee annually.
- 4.2 During the past year there has not been any impairment in independence or objectivity to the Head of Shared Internal Audit or the service itself.



5 Added Value Services



- 5.1 Although our primary responsibility is to give an annual assurance opinion it is also important that the Internal Audit service adds value to the organisation.
- 5.2 There needs to be a firm focus on assisting the organisation to meet its aims and objectives and on working in an innovative and collaborative way with managers to help identify new ways of working that will bring about service improvements and deliver efficiencies. Examples of how we have done this during the year include providing advice / input to support a number of projects and key working groups, such as supporting the Business Grants process.

6 Progress against the plan

The following table summarises reviews with an audit opinion which have reached completion since our previous update to the Committee in September 2021.

Audit	Assurance and actions		Summary of report and actions
Risk Management Strategy 	Assurance: Current: Previous: Actions: Critical High Medium Low	Reasonable Reasonable 0 0 0 0	<p>We completed a review of the Risk Management Framework to professional standards. This helped inform a review of the Risk Management Strategy, which was approved by the Civic Affairs Committee.</p> <p>We provided the Committee with an update of the improvement program at the February 2022 meeting.</p>
Fleet management – fuel cards 	Assurance: Current: Previous: Actions: Critical High Medium Low	Limited New review 0 6 1 1	<p>We reviewed the policies, procedures, and processes around the fuel card system, and reviewed the contract. We also undertook data analytics to highlight trends and potential risks.</p> <p>Our review concluded that the contract is complete, in-line with market norms, and affords the Council the protections required.</p> <p>We identified opportunities to improve the management of cards, receipt retention, authorisation, and the monitoring of contract performance, and card expenditure. This will help to reduce risk exposure and we will follow-up the implementation of the actions in 2022/2023.</p>

Audit	Assurance and actions	Summary of report and actions
<p>Carbon management - Data Quality</p> 	<p>Assurance:</p> <p>Current: Full</p> <p>Previous: Reasonable</p> <p>Actions:</p> <p>Critical 0</p> <p>High 0</p> <p>Medium 0</p> <p>Low 0</p>	<p>The Council collates annual energy consumptions and fuel usage data, and converts these into tonnes of CO2 emissions, to demonstrate how it is reducing carbon emissions. This information is then reported to members in the Annual Greenhouse Gas report and used to complete the Authority's annual carbon emissions data submission to the Department for Business, Energy and Industrial Strategy (BEIS).</p> <p>We completed a data quality check, which included reviewing the accuracy of data input, and that all calculations and formulae were correct. Data was also verified back to available source data. Feedback was provided where data was incorrect, the appropriate corrections were completed, and the revised data sets were subsequently rechecked. This provides assurance that the data was reliable.</p> <p>There were no actions arising.</p>
<p>VAT</p> 	<p>Assurance:</p> <p>Current: Full</p> <p>Previous: New review</p> <p>Actions:</p> <p>Critical 0</p> <p>High 0</p> <p>Medium 3</p> <p>Low 0</p>	<p>We reviewed the policies and processes of the Finance team regarding VAT, held meetings with key Officers to discuss the operations and potential issues with VAT accounting at the Council, and conducted sample testing of invoices to determine whether or not they were coded correctly.</p> <p>Our review considered three main areas: the partial exemption, awareness of changes in VAT accounting, day-to-day accounting practices for VAT and concluded that controls were working well.</p>

Audit	Assurance and actions	Summary of report and actions
<p>Grant assurance – Disabled Facility Grant</p> 	<p>Assurance:</p> <p>Current: Full</p> <p>Previous: Reasonable</p> <p>Actions:</p> <p>Critical 0</p> <p>High 0</p> <p>Medium 0</p> <p>Low 0</p>	<p>Central Government funding is allocated to the County Councils as part of the Better Care Fund. A proportion of this is allocated to District Councils to enable them to carry out improvements to housing stock, and for disabled adaptations.</p> <p>The review provides assurance to both the Council, plus the County Council and Central Government, as part of the grant certification process set by the Ministry of Housing, Communities and Local Government (MHCLG).</p>
<p>Grant Assurance PPAS</p> 	<p>Assurance:</p> <p>Current: Full</p> <p>Previous: New review</p> <p>Actions:</p> <p>Critical 0</p> <p>High 0</p> <p>Medium 0</p> <p>Low 0</p>	<p>We have completed Post Payment Assurance Sampling (PPAS) reviews for the Department for Business, Energy & Industrial Strategy (BEIS) for the following Business Grant Schemes: Christmas Support Payment for Wet Led Pubs</p> <p>While it is not possible to completely eradicate the risk of fraud, this review provided assurance that adequate checks were undertaken to ensure recipients were eligible with the scheme conditions, and appropriate checks were made to minimise the risk of fraud and error.</p> <p>Further PPAS reviews will be completed for the remaining Business Grant Schemes in 2022/2023.</p>

7 Counter fraud and corruption update

National Fraud Initiative

- 7.1 The Council participates in a national data matching service known as the National Fraud Initiative (NFI), which is run by the Cabinet Office. Data is extracted from Council systems for processing and matching. It flags up inconsistencies in data that may indicate fraud and error, helping councils to complete proactive investigation. Nationally it is estimated that this work has identified £1.69 billion of local authority fraud, errors and overpayments since 1996. Historically this process has not identified significant levels of fraud and error at Cambridge City Council, and this provides assurance that internal controls continue to operate effectively.
- 7.2 We have continued to work on the 2020/2021 exercise and have recently uploaded new datasets for the Business Grant Schemes to supplement our own data matching.

8 Other audit and assurance activity

Business Grants

- 8.1 The team has been assisting the Council with delivery of Central Government funded Business Grant schemes. This work has included undertaking fraud and error risk assessments, so that we can proactively advise on the design of low friction controls.
- 8.2 To help safeguard the public purse and ensure that funds are provided to legitimate applicants, we have maintained a post-assurance plan, which sets out checks and tests.
- 8.3 We are utilising government recommended tools to check applicants for compliance with scheme eligibility. In addition, we have also designed our own local assurance tools, and this has helped us to proactively prevent some applications that were non-compliant with the regulations.
- 8.4 We have completed assurance reporting to Central Government and also worked with Counter Fraud agencies to share intelligence on areas of fraud risk.
- 8.5 The work helps the Council to have assurance that it has taken proportionate and effective controls to mitigate the risk of fraud and error.

Public Sector Internal Audit Standards

- 8.6 The Public Sector Internal Audit Standards (PSIAS) require that Internal Audit develops and maintains a quality assurance and improvement programme that covers all aspects of the Internal Audit activity. External assessments must be conducted at least once every five years by a qualified, independent assessor. In 2018 CIPFA independently verified that we “**Generally Conform**” with the Public Sector Internal Audit Standards (PSIAS) and the accompanying Local Government Application Note (LGAN).
- 8.7 We completed our annual internal review process which provides assurance that we continue to meet the standards. We recognise that the impact of Covid-19 has meant that, while we have completed a reasonable volume of audit work, the breadth of coverage has reduced in comparison to previous years. This can potentially reduce our ability to provide a comprehensive annual opinion on the overall control environment. Consequently, the risk of not complying with the standards has significantly increased, although we expect the risk to be reduced as we return to more normal ways of working. We have been responding to guidance issued by our professional bodies, undertaking pandemic related risk assessments, and adapting our assurance approach to help maintain compliance with the standards.

Governance

- 8.8 We facilitated the review of the Annual Governance Statement, and the Local Code of Governance, which accompanies the Statement of Accounts.

Risk management

- 8.9 We have continued to provide support on the identification of risks and controls and have commenced a review of the Risk Management Framework.
- 8.10 We led a review of the Risk Management Strategy and provided the Civic Affairs Committee with updates on the progress of our improvement program.

9 Conclusion

- 9.1 The work carried out by the Internal Audit Team conforms to the Public Sector Internal Audit Standards.
- 9.2 A continuous risk-based audit plan is completed, providing assurance. The team also provides added value consulting activities such as providing advice and fraud and error activities.
- 9.3 The audit work completed has provided sufficient coverage to enable Internal Audit to form an opinion on the internal control environment, governance and risk management arrangements. There is Reasonable assurance awarded during the year, and this remains at a similar level to the previous period.

Appendix C – Internal Audit Charter



Our vision:

To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

May 2023

Next Review: By February 2024

Version Control: 1.05

1 INTRODUCTION

- 1.1 Organisations in the UK public sector have historically been governed by an array of differing internal audit standards. The Public Sector Internal Audit Standards (the PSIAS), which took effect from the 1 April 2013, and are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) now provide a consolidated approach to promoting further improvement in the professionalism, quality, consistency, transparency and effectiveness of Internal Audit across the whole of the public sector.
- 1.2 The Standards have been revised from 1 April 2017 to reflect the latest changes in the IPPF. In addition the PSIAS are supported by a Local Government Application Note (LGAN), published by the Chartered Institute of Public Finance and Accountancy to provide relevant sectoral requirements guidance.
- 1.3 The PSIAS require that all aspects of Internal Audit operations are acknowledged within an Audit Charter that defines the purpose, authority and responsibilities of the service provision. The Charter therefore establishes the position of the service within the Council; its authority to access records, personnel and physical properties relevant to the performance of engagements; in addition to defining the scope of Internal Audit activities. There is also an obligation under the PSIAS for the Charter to be periodically reviewed and presented to the relevant audit committee, the Section 151 Officer and senior management. This Charter will therefore be revisited annually to confirm its ongoing validity and completeness, and be circulated in accordance with the requirements specified above.

2 PURPOSE

- 2.1 In accordance with the PSIAS, Internal Auditing is defined as:

"An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."
- 2.2 However, it should also be appreciated that the existence of Internal Audit does not diminish the responsibility of senior management to establish appropriate and adequate systems of internal control and risk management. Internal Audit is not a substitute for the functions of senior management, who should ensure that Council activities are conducted in a secure, efficient and well-ordered manner with arrangements sufficient to address the risks which might adversely impact on the delivery of corporate priorities and objectives.

3 AUTHORISATION

- 3.1 The requirement for an Internal Audit Service is outlined within the Accounts and Audit Regulations 2015¹, which state that

“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

- 3.2 There are additional requirements placed upon the Chief Audit Executive (see Section 4: Organisation and Relationships), to fulfil all aspects of CIPFA’s Statement on the Role of the Head of Internal Audit in Public Sector Organisations, with Internal Audit primarily responsible for carrying out an examination of the accounting, financial and other operations of the Council, under the independent control and direction of the Section 151 Officer.
- 3.3 The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorised to have full, free, and unrestricted access to any and all of the organisation’s:
- Records, documents and correspondence (manual and electronic) relating to any financial and other transactions;
 - Physical properties, i.e. premises and land, plus cash, stores or any other Council property; and
 - Personnel – requiring and receiving such explanations as are necessary concerning any matter under examination and generally assisting the Internal Audit activity in fulfilling its roles and responsibilities.
- 3.4 Such access shall be granted on demand and shall not be subject to prior notice, although in principle, the provision of prior notice will be given wherever possible and appropriate, unless circumstances dictate otherwise.

4 ORGANISATION AND RELATIONSHIPS

- 4.1 Within the PSIAS, the terms ‘Chief Audit Executive,’ ‘Board’ and ‘Senior Management’ are used to describe key elements of the organisation’s governance, and the ways in which they interact with Internal Audit. The PSIAS require that the terms are defined in the context of the governance arrangements in each public sector organisation, in order to safeguard the independence and objectivity of Internal Audit. The following interpretations are applied, so as to ensure the continuation of the current relationships between Internal Audit and other key bodies at the Council.

¹ http://www.legislation.gov.uk/uksi/2015/234/pdfs/uksi_20150234_en.pdf

The following terms are explained:

- Chief Audit Executive
- Board
- Senior Management
- External Audit
- Other Internal Audit Service Providers
- Other External Review and Inspection Bodies

Chief Audit Executive

- 4.2 The Chief Audit Executive is the Head of Shared Internal Audit Service (HoSIAS), part of a shared management arrangement between Cambridge City Council (CCC) and South Cambridgeshire District Council (SCDC). The HoSIAS reports to the relevant S151, and has access to the Chief Executive should it be required.

Board

- 4.3 The 'Board' oversees the work of Internal Audit. It will be the relevant audit committee of the Council, known as Civic Affairs Committee (CCC) and the Audit and Corporate Governance Committee (SCDC), which has been established as part of its corporate governance arrangements. The Committee is responsible for the following with reference to Internal Audit:

- Internal Audit Plans;
- Progress and performance against plans;
- Annual Audit Opinion; and
- Compliance with standards.

- 4.4 Internal Audit will work closely with the committee to facilitate and support its activities.

Senior Management

- 4.5 In the context of ensuring effective liaison between Internal Audit and senior officers, Internal Audit has regular access to Directors and Heads of Service. 'Senior Management' for the purposes of this Charter are the Leadership Team and the Senior Management Team (CCC) and the Leadership Team and Corporate Management Team (SCDC).

External Audit

- 4.6 Internal Audit aims to minimise any potential duplication of work and determine the assurance that can be placed on the respective work of the two parties. Our

audit plans and reports are shared with the appointed external auditor, Ernst and Young.

Other Internal Audit Service Providers

- 4.7 Internal Audit will also liaise with other Council's Internal Audit Service providers, where shared service arrangements exist. In such cases, a dialogue will be opened with each Council's equivalent Chief Audit Executive to agree a way forward regarding the future auditing regime.

Other External Review and Inspection Bodies

- 4.8 Internal Audit will co-operate with all external review and inspection bodies that are authorised to assess and evaluate the activities of the Council, to determine compliance with regulations, standards or targets. Internal Audit will, wherever possible, utilise third party assurances arising from this work.

5 OBJECTIVES AND SCOPE

- 5.1 The provision of assurance services is the primary role of Internal Audit and there is a duty of care on the Chief Audit Executive to give an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. This responsibility to evaluate the governance framework far exceeds examination of controls applying to the Council's core financial systems. Instead, Internal Audit is required to scrutinise the whole system of risk management, internal control and governance processes established by management.
- 5.2 Internal Audit also has a secondary role, whereby it will provide consultancy services which are advisory in nature and generally performed at the request of the Council to facilitate improved governance, risk management and control, and potentially contribute to the annual audit opinion.
- 5.3 A risk-based Audit Plan will be developed each year to determine an appropriate level of audit coverage to generate an annual audit opinion, which can then be used to assist with the formulation of the Annual Governance Statement. Moreover, audit work performed will seek to enhance the Council's overall internal control environment. In the event of deficiencies in arrangements being identified during audit assignments, Internal Audit will put forward recommendations aimed at improving existing arrangements and restoring systems of internal control to a satisfactory level, where relevant.
- 5.4 In accordance with the PSIAS, the Internal Audit Service will evaluate and contribute to the improvement of:
- The design, implementation and effectiveness of the organisation's ethics related objectives, programmes and activities.
 - The effectiveness of the Council's processes for performance management and accountability.
 - The Council's IT governance provisions in supporting the organisation's corporate priorities, objectives and strategies.
 - The Council's risk management processes in terms of significant risks being identified and assessed; appropriate risk responses being made that align with the organisation's risk appetite, the capturing and communicating of risk information in a timely manner, and its use by staff, senior management

and members to carry out their responsibilities and inform decision making generally.

- The provisions developed to support achievement of the organisation's strategic objectives and goals.
- The systems formulated to secure an effective internal control environment.
- The completeness, reliability, integrity and timeliness of management and financial information.
- The systems established to ensure compliance with legislation, regulations, policies, plans, procedures and contracts, encompassing those set by the Council and those determined externally.
- The systems designed to safeguard Council assets and employees.
- The economy, efficiency and effectiveness with which resources are used in operations and programmes at the Council.

5.5 In addition to the areas recorded above, where Internal Audit will give input to their continuing enhancement; the Service will also provide support to the Section 151 Officer with responsibility for the probity and effectiveness of the Authority's financial arrangements and internal control systems.

5.6 Managing the risk of fraud and corruption is the responsibility of management. However, as part of the scope of Internal Audit, it will be alert in all its work to the risks and exposures that could allow fraud or corruption to occur and will monitor the extent and adequacy of risk controls built into systems by management, sharing this information with External Audit and other corporate investigators.

5.7 In the course of delivering services encompassing all the elements stated above, should any significant risk exposures and control issues subsequently be identified, Internal Audit will report these matters to senior management, propose action to resolve or mitigate these, and appraise the Committee of such situations.

5.8 Risk Management is the responsibility of Officers and Members. Internal Audit is a member of the Risk Management Group at both Councils; providing advice on the development of proportionate mitigation and actions. At CCC Internal Audit is also the Strategic Lead for Risk Management and facilitates the Risk Management Strategy and Framework. Management are still responsible for identifying, managing and mitigating risks within their services. This approach does is consistent with best practice set out by the IIA.

6 INDEPENDENCE

- 6.1 Internal Audit operates within an organisational framework that preserves the independence and objectivity of the assurance function, and ensures that Internal Audit activity is free from interference in determining the scope of internal auditing, performing work and communicating results. The framework allows the HoSIAS direct access to and the freedom to report unedited, as deemed appropriate, to the Committee, the Chief Executive, Section 151 Officer and Senior Management.
- 6.2 Internal Audit has no operational responsibilities or authority over any of the activities that they are required to review. As a consequence, they do not develop procedures, install systems, prepare records, or engage in any other activity, which would impair their judgement. In addition, Internal Auditors will not assess specific operations for which they were previously responsible, and objectivity is presumed to be impaired if an Internal Auditor provides assurance services for an activity for which they had responsibility within the previous 12 months. Internal Auditors may however provide consulting services relating to operations over which they had previous responsibility. The HoSIAS will confirm to the Committee, at least annually, the organisational independence of the Internal Audit activity.

7 PROFESSIONAL STANDARDS

- 7.1 Internal Auditors operate in accordance with the PSIAS and LGAN. The Internal Auditors are also governed by the policies, procedures, rules and regulations established by the Council. These include, but are not limited to, Financial Regulations and Contract Standing Orders, the Anti-Fraud and Corruption Policy and the Code of Conduct. Similarly, the Council's Internal Auditors will be aware of external bodies' requirements and all legislation affecting the Council's activities.
- 7.2 The Council's Internal Auditors will additionally adhere to the Code of Ethics as contained within the PSIAS. Internal Auditors will also demonstrate due professional care in the course of their work and consider the use of technology-based audit and other data analysis techniques, wherever feasible and considered beneficial to the Council. All working arrangements and methodologies, which will be followed by the Internal Auditors, are set out in the Audit Manual.

8 AUDIT RESOURCES

- 8.1 The HoSIAS will be professionally qualified (CCAB, CMIIA or equivalent) and have wide internal audit management experience, to enable them to deliver the responsibilities of the role.

- 8.2 The HoSIAS will ensure that the Internal Audit Service has access to staff that have an appropriate range of knowledge, skills, qualifications and experience to deliver requisite audit assignments. The type of reviews that will be provided in year include systems reviews, consultancy input to new / modified systems, and special investigations. In the event of special investigations being required, there is limited contingency in the Audit Plans to absorb this work. However, additional resources may need to be made available to the Internal Audit Service when such input is necessary.

9 AUDIT PLANNING

- 9.1 The HoSIAS will develop an audit strategy, together with agile audit plans and a summary of audit coverage using a risk-based methodology. This will take into account documented corporate and operational risks, as well as any risks or concerns subsequently notified to Internal Audit by senior management. This will be consulted with Senior Management prior to being taken forward to the Committee for final endorsement.
- 9.2 Any difference between the plan and the resources available will be identified and reported to the Committee. It will outline the assignments to be carried out and the broad resources and skills required to deliver the plan. It will provide sufficient information for the Council to understand the areas to be covered and for it to be satisfied that sufficient resources and skills are available to deliver the plan. Areas included in the audit plan are highlighted in Table 1.

TABLE 1: AUDIT ACTIVITIES	
Core system assurance work Governance, Risk and Control Corporate Plan Objectives Cross Cutting audits	Departmental specific reviews Follow up activity Internal advice on risks, controls and procedures

- 9.3 The audit plan will be kept under review to identify any amendment needed to reflect changing priorities and emerging risks. It will be flexible, containing an element of contingency to accommodate assignments which could not have been readily foreseen. However, on occasions, specific audit requests take precedence over the original audit plan and will be required as additional work rather than as a replacement. Resources, such as specialist or additional auditors may be required to supplement this.

10 REPORTING

- 10.1 The process followed for completing each audit is set out in Table 2.
- 10.2 Upon completion of each audit assignment, where appropriate, an Internal Audit report will be prepared that:
- Provides an opinion on the risks and controls of the area reviewed, and this will contribute to the annual opinion on the internal control environment, which, in turn, informs the Annual Governance Statement; and
 - Provides a formal record of points arising from the audit and management responses to issues raised, to include agreed actions with implementation timescales.
- 10.3 Exit meetings are accommodated enabling management to discuss issued Draft Audit Reports. Accountability for responses to Internal Audit recommendations lies with the Chief Executive, Directors, and / or Heads of Service, as appropriate, who can either, accept and implement guidance given or formally reject it. However, if audit proposals to strengthen the internal control environment are disregarded and there are no compensating controls justifying this course of action, an audit comment will be made in the Final Audit Report, reiterating the nature of the risk that remains and recognising that management has chosen to accept this risk. Furthermore, depending on the severity of the risk, the matter may be escalated upwards and drawn to the attention of the Committee.

TABLE 2: WORKING ARRANGEMENTS DURING AUDITS	
Stage	Commentary
Audit Brief	Set up and agreed with manager(s)
Fieldwork	Assignment undertaking including interviews, testing.
Exit Meeting	At conclusion of fieldwork, issues raised for reporting (if not already provided during course of fieldwork).
Draft report	Produced following completion of fieldwork / exit meeting. Head of Service / Line Manager to formally respond including acceptance of actions together with timescale proposals to implement.
Final Report	Internal Audit incorporates all management comments within the report and re-issue as a final. The report will be distributed in accordance with agreed protocols (see Table 4).

- 10.4 It is important that following production of each audit report, there is prompt dialogue between managers and Internal Audit so that findings can be discussed, actions identified to remedy any weaknesses and finally an agreed timescale to rectify them. Internal Audit will monitor implementation and report any gaps to senior management.
- 10.5 Internal Audit reports include actions which are agreed with management and prioritised, plus an overall assurance opinion. These are explained further on the next page.

Assurance ratings

Internal Audit provides management and Members with a statement of assurance on each area audited. This is also used by the Head of Shared Internal Audit to form an overall opinion on the control environment operating across the Council, including risk management, control and governance, and this informs the Annual Governance Statement (AGS).

Term	Description
Full Assurance	Controls are in place to ensure the achievement of service objectives and good corporate governance, and to protect the Authority against significant foreseeable risks.
Reasonable Assurance	Controls exist to enable the achievement of service objectives and good corporate governance and mitigate against significant foreseeable risks. However, occasional instances of failure to comply with control process were identified and/or opportunities still exist to mitigate further against potential risks.
Limited Assurance	Controls are in place and to varying degrees are complied with, however, there are gaps in the process which leave the service exposed to risks. Therefore, there is a need to introduce additional controls and/or improve compliance with existing ones, to reduce the risk exposure for the Authority.
No Assurance	Controls are considered to be insufficient, with the absence of at least one critical control mechanism. There is also a need to improve compliance with existing controls, and errors and omissions have been detected. Failure to improve controls leaves the Authority exposed to significant risk, which could lead to major financial loss, embarrassment, or failure to achieve key service objectives.

Organisational impact

The overall impact may be reported to help provide some context to the level of residual risk. For example, if no controls have been implemented in a system it would have no assurance, but this may be immaterial to the organisation. Equally a system may be operating effectively and have full assurance, but if a risk materialised it may have a major impact to the organisation.

Term	Description
Major	The risks associated with the system are significant. If the risk materialises it would have a major impact upon the organisation.
Moderate	The risks associated with the system are medium. If the risk materialises it would have a moderate impact upon the organisation.
Minor	The risks associated with the system are low. If the risks materialises it would have a minor impact on the organisation.

Action ratings

As part of the review we have identified opportunities for improvement, which have been shared with Management. These are developed into actions to improve the effectiveness of the governance, risk management arrangements, and the internal control environment.

Management are responsible for implementing their actions and providing assurance when they are completed. Timescales for implementing actions should be proportionate and achievable to the available resources. To help prioritise the actions we have produced guidance below:

Priority	Description	Timescale for action	Monitoring
Critical	Extreme control weakness that jeopardises the complete operation of the service.	To be implemented immediately.	Within 1 month
High	Fundamental control weakness which significantly increases the risk / scope for error, fraud, or loss of efficiency.	To be implemented as a matter of priority.	Within 6 months
Medium	Significant control weakness which reduces the effectiveness of procedures designed to protect assets and revenue of the Authority.	To be implemented at the first opportunity.	Within 12 months
Low	Control weakness, which, if corrected, will enhance control procedures that are already relatively robust.	To be implemented as soon as reasonably practical.	Within 24 months

The Council has a Risk Management system, which is used for tracking their progress. This will be updated upon distribution of this report and we will follow up the actions where appropriate. It is the responsibility of Risk Owners and Action Owners to regularly review and update the risk register with details of action taken to mitigate the risks.

- 10.6 Our assurance ratings will be subject to regular review to ensure that they remain relevant and robust for the service / organisation.
- 10.7 Period reports will be produced to summarise the output of audit reviews and to set out Internal Audits opinion on the state of the internal controls and governance across the Council. This will comment upon:
- The scope including the time period covered;
 - Any scope limitations;
 - Consideration of all related projects including the reliance on other assurance providers;
 - The risk or control framework or other criteria used as a basis for the overall opinion;
 - The overall opinion, providing reasons where an unfavourable overall opinion is given; and
 - A statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.
- 10.8 Significant issues identified will be referred through to senior management for inclusion in the Annual Governance Statement.
- 10.9 All reports produced are set out in Table 4.

TABLE 4: PLANNING AND REPORTING FREQUENCY		
Report Produced	For	Reason
Audit Report	Chief Executive S.151 Officer Relevant Director / Head of Service	The end of each audit assignment as the main recipient and those charged with implementing the issues identified
Progress reports (based around the committee cycle to report performance and the Control Opinion)	Relevant Audit Committee	To provide the Council with progress at delivering the audit service and any key governance issues arising. This will include an evaluation of the works undertaken and the level of assurance established. To provide assurance on compliance with PSIAS
Audit Plan	Relevant Audit Committee S.151 Officer	Details of the future plans to provide assurance across the Council in accordance with PSIAS. This may be included in Progress reports depending on the Committee Cycle.

11 QUALITY ASSURANCE AND IMPROVEMENT

- 11.1 The PSIAS require that the Internal Audit develops and maintains a quality assurance and improvement programme (QAIP) that covers all aspects of the Internal Audit activity, and includes both internal and external assessments. In the event of an improvement plan proving necessary to formulate and implement, in order to further develop existing service provisions, the HoSIAS will initiate the appropriate action and annually, the results of the quality and assurance programme together with progress made against the improvement plan will be reported to senior management and the Committee.

Internal Assessments

- 11.2 Internal Assessments must include on-going monitoring of the performance of the internal audit activity and these are reported as part of the annual report.
- 11.3 The PSIAS additionally require periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of Internal Audit practices. This obligation is satisfied by the HoIA performing an annual self-assessment of the effectiveness of Internal Audit, before the results are shared with the Committee. Presenting this information enables members to be assured that the Internal Audit Service is operating in a satisfactory manner such that reliance can be placed on the subsequent annual audit opinion provided by the HoSIAS.

External Assessments

- 11.4 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. External assessments can be in the form of a full external assessment, or a self-assessment with independent external verification.
- 11.5 The HoSIAS will discuss with the Committee and the Section 151 Officer the form of the external assessments; and the qualifications and independence of the external assessor or assessment team, including any potential conflict of interest. As part of the shared service arrangements, each Council will be reviewed jointly which will reduce the level of duplication.

Appendix D – Internal Audit Code of Ethics



1 INTRODUCTION

- 1.1 The purpose of a Code of Ethics is to promote an appropriate ethical culture for Internal Audit. The Code sets out the minimum standards for the performance and conduct of the Council's Internal Auditors. It is intended to clarify the standards of conduct expected when carrying out their duties and promote an ethical, professional culture at all times when undertaking audit duties.

2 PRINCIPLES

- 2.1 Internal auditors are expected to apply and uphold the following principles:
- Integrity The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.
 - Objectivity Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.
 - Confidentiality Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
 - Competency Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.

To uphold the principles, Internal Auditors shall:

INTEGRITY:	<ul style="list-style-type: none">• Perform their work with honesty, diligence and responsibility;• Observe the law and make disclosures expected by the law and the profession;• Not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organisation;• Respect and contribute to the legitimate and ethical objectives of the organisation; and• Maintain relationships with colleagues, internal clients and external contacts that are characterised by honesty, truthfulness and fairness
OBJECTIVITY:	<ul style="list-style-type: none">• Not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation;• Not review any activity for which they have previously had operational responsibility;• Not accept anything that may impair or be presumed to impair their professional judgement; and• Disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.
CONFIDENTIALITY:	<ul style="list-style-type: none">• Be prudent in the use and protection of information acquired in the course of their duties but should ensure that requirements of confidentiality do not limit or prevent reporting within the authority as appropriate;• Not make unauthorised disclosure of information unless there is a legal or professional requirement to do so; and• Not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.
COMPETENCY:	<ul style="list-style-type: none">• Engage only in those services for which they have the necessary knowledge, skills and experience;• Perform Internal Audit services with the International Standards for the Professional Practice of Internal Audit; and• Continually improve their proficiency, effectiveness and quality of their services

3 MANAGING ARRANGEMENTS:

3.1 To ensure compliance with the Code of Ethics:

- There is an annual review of the Code to reinforce understanding and confirm on-going commitment;
- Quality control processes are in place to demonstrate integrity in all aspects of the work;
- All staff are obliged to declare any potential conflicts of interest, at least annually;
- Confidentiality breaches will not be tolerated; and
- All staff are aware and understand the organisations aims and objectives together with an appreciation of the policies and procedures which govern the areas to be audited.

Appendix E – Glossary of terms

Assurance ratings

Internal Audit provides management and Members with a statement of assurance on each area audited. This is also used by the Head of Shared Internal Audit to form an overall opinion on the control environment operating across the Council, including risk management, control and governance, and this informs the Annual Governance Statement (AGS).

Term	Description
Full Assurance	Controls are in place to ensure the achievement of service objectives and good corporate governance, and to protect the Authority against significant foreseeable risks.
Reasonable Assurance	Controls exist to enable the achievement of service objectives and good corporate governance and mitigate against significant foreseeable risks. However, occasional instances of failure to comply with control process were identified and/or opportunities still exist to mitigate further against potential risks.
Limited Assurance	Controls are in place and to varying degrees are complied with, however, there are gaps in the process which leave the service exposed to risks. Therefore, there is a need to introduce additional controls and/or improve compliance with existing ones, to reduce the risk exposure for the Authority.
No Assurance	Controls are considered to be insufficient, with the absence of at least one critical control mechanism. There is also a need to improve compliance with existing controls, and errors and omissions have been detected. Failure to improve controls leaves the Authority exposed to significant risk, which could lead to major financial loss, embarrassment, or failure to achieve key service objectives.

Organisational impact

The overall impact may be reported to help provide some context to the level of residual risk. For example, if no controls have been implemented in a system it would have no assurance, but this may be immaterial to the organisation. Equally a system may be operating effectively and have full assurance, but if a risk materialised it may have a major impact to the organisation.

Term	Description
Major	The risks associated with the system are significant. If the risk materialises it would have a major impact upon the organisation.
Moderate	The risks associated with the system are medium. If the risk materialises it would have a moderate impact upon the organisation.
Minor	The risks associated with the system are low. If the risks materialises it would have a minor impact on the organisation.

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Item

COMMITTEE APPOINTMENTS AND CONSTITUTIONAL CHANGES FOR ANNUAL COUNCIL

To:

Civic Affairs Committee 16/05/2022

Report by:

Gary Clift, Democratic Services Manager

Tel: 01223 - 457011 Email: gary.clift@cambridge.gov.uk

Wards affected:

All

1. Introduction

- 1.1 The report details the issues to consider following the local elections on 5 May 2022 and make recommendations to the Annual Meeting of the Council on 26 May 2022.
- 1.2 This report is being published on 6 May, the day the results of the city council elections are known, but the implications of them are yet to be worked through by officers and political groups. Therefore, there will be updated information published on 16 May, before the committee meeting.

2. Recommendations

To recommend to Council:

- (i) The city council committees and the nominations to the joint and partner bodies in paragraph 3.3 (as updated on 16 May).
- (ii) The nominations for Chairs and Vice Chairs in paragraph 3.4 (as updated on 16 May).

- (iii) Any Constitutional updates required as set out in 3.6 and/or circulated before committee.
- (iv) To continue with virtual Area Committees until further notice.
- (v) To agree that recorded meetings are removed from the Council's You Tube channel after one year and to support the continuation of hybrid meetings as set out in 3.7
- (vi) To give guidance on Council meetings for February/March 2023 (3.8)

3. Background

Appointing Committees

- 3.1 The rules on political balance set out in the Local Government and Housing Act 1989 apply to both scrutiny and regulatory committee composition so that, once the size of committees has been determined, the division of seats among the political groups on the Council will be automatic and the Council must appoint those members which each political group puts forward for its seats.

In considering the allocation of committee places to political groups, the Council is legally required to take into account the following principles:

- i) That the controlling group should have a majority of seats on each committee.
- ii) That the total number of committee places allocated to each political group must be in proportion to the number of members of that group on the Council.
- iii) That on each committee the number of places allocated to each political group must be in proportion to the number of members of that group on the Council.

The order of precedence of these principles is the order in which they are given - i.e. (i) takes highest priority, then (ii) then (iii).

For May 2021, 42 councillors made up of 27 Labour, 12 Lib Dem and 3 Green/Independent, translated proportionally against a seat availability on ordinary committees of 58 seats at 36, 18 and 4 respectively. If you choose to depart from proportionality, Full Council must not only agree, but no single Member must dissent.

Alternate Members of Committees

3.2 The Council (or committees in respect of sub-committees) will appoint an alternate member in respect of each political group represented on that committee or sub-committee and two in the case of the major Scrutiny Committees for groups with more than one committee member (although a Group may choose to appoint just one). Unlike a substitute system, the city council use an Alternate Member where the councillor is a named member from a political group and (preferably) unchanged for the whole municipal year. The Alternate Member will sit in for any member of the same political group who is unable to attend a meeting.

3.3 The proportionality for both the Cambridgeshire and Peterborough Combined Authority Overview and Scrutiny Committee and the Audit and Governance Committee is set by the Combined Authority and the Council will be notified if it changes following elections on 5 May.

Environment and Community Scrutiny Committee
Current Numbers - 10 (6 Labour + 3 Lib Dem+1 G/I)
Planning and Transport Scrutiny Committee
Current Numbers - 10 (6 Labour + 3 Lib Dem + 1 G/I)
Housing Scrutiny Committee
Current Numbers - 9 (6 Labour + 2 Lib Dem +1 G/I)
Strategy and Resources Scrutiny Committee
Current Numbers - 6 (4 Labour+ 2 Lib Dem)
Civic Affairs Committee
Current Numbers - 6 (4 Labour + 2 Lib Dem)
Licensing Committee
Current Numbers - 10 (6 Labour + 3 Lib Dem + 1G/I)
Planning Committee
Current Numbers - 7 (5 Labour + 2 Lib Dem)
Employment (Senior Officer) Committee
Current Numbers - 6 (4 Labour + 2 Lib Dem)

Employment Appeals Sub-Committee
Current Numbers - 6 (4 Labour + 2 Lib Dem)

Cambridgeshire and Peterborough Combined Authority
Current Numbers - 1 (Leader of the Council) + 1 substitute (Deputy Leader)

Cambridgeshire and Peterborough Combined Authority Overview and Scrutiny Committee (numbers may change after elections)
Current Numbers - 2 Labour + 1 Labour alternate

Cambridgeshire and Peterborough Audit and Governance Committee (numbers may change after elections)
Current Numbers 1 Labour + 1 Labour alternate

Greater Cambridge Partnership Joint Assembly
Current Numbers- 3 (2 Labour + 1 Lib Dem)

Joint Development Control Committee
Current Numbers- 6 (4 Labour + 2 Lib Dem + alternates)

Chairs and Vice Chairs

- 3.4 The Civic Affairs Committee is requested to make nominations for Chairs and Vice Chairs to the committees listed. A paper with any nominations will be circulated on 16 May:

Strategy and Resources
 Environment and Community Services
 Planning and Transport
 Housing (note - Chair is a Councillor, the Vice Chair is a tenant/leaseholder)

Civic Affairs
 Licensing
 Planning
 Joint Development Control Committee (City is due to Chair for 2022/23)

Committee working parties and appointments to outside bodies

- 3.5 Procedural meetings of the relevant scrutiny and regulatory committees are held at an adjourned point during the Annual Meeting of the Council to confirm working parties and to note the membership of them. Executive Councillors also agree appointments to outside bodies.

Constitutional matters

3.6 Virtual Area Committees

It is recommended that Area Committees continue to be held on-line whilst officers and Members review the options suggested in the Culture, Behaviours and Governance assessment by the Centre for Governance and Scrutiny (February 2022).

Whilst meeting on-line, decisions cannot be taken by the committee, but will be taken by the relevant officer following consideration by that committee as was the case on area committee grants in March 2022.

3.7 Hybrid meetings

The Council has been successfully running hybrid meetings from the Council Chamber since January 2022 and has meant contributions from Members, officers and the public could continue via Teams. This has proved very popular whilst society adapted to the gradual move to 'living with Covid'.

The more the hybrid meeting option is used and becomes an accepted norm, there is the risk that it sometimes may not work - so it is important to note that although participating in a hybrid way is a positive addition to decision making, the law requires decision makers be present in person to be able to make a decision and the public are reminded that they can attend meetings in person and if there is a technical issue, the meeting can and should continue. Democratic officers encourage public statements to be emailed in advance so that they can be read out if there are technical issues and public speakers register by noon two working days before the meeting so there is reasonable time to prepare for the meeting.

Since January, meetings have been streamed live to the Council's You Tube channel. They are then available as a recording. It is proposed that meetings remain on You Tube for one year after which time they are removed. Before January 2022, meetings from May 2020-April 2021

were available for 6 months (via Teams Live). Officers will review what is being practiced nationally as Councils get better at, and learn from, hybrid democratic decision making.

3.8 Council Meetings – February and March 2023

Members agreed to split the Council agenda in February 2022 so that the budget was debated at a stand-alone meeting, with other business adjourned to be dealt with the following week. The Committee is asked to consider whether the same approach should be taken in 2023 or that there is a bigger gap between the two Council meetings and officers report back with options.

4. Implications

(a) Financial Implications Not holding Area Committees in person will save approximately £5,000 in a full year (audio provision and room hire).

(b) Staffing Implications Running hybrid meetings requires two officers to manage the meeting.

(c) Equality and Poverty Implications Hybrid meetings offer an additional way to access the Council's decision making.

(d) Environmental Implications Hybrid meetings offers less travel required by some participants.

(e) Procurement Implications not applicable

(f) Community Safety Implications not applicable

5. Consultation and communication considerations

None

6. Contact

If you have a query on the report please contact Gary Clift, Democratic Services Manager, tel: 01223 - 457011, email: gary.clift@cambridge.gov.uk.