Public Document Pack

Cambridge City Council
Civic Affairs

Date: Wednesday, 11 September 2024

Time: 5.30 pm

Venue: Council Chamber, The Guildhall, Market Square, Cambridge, CB2 3QJ [access the building via Peashill entrance]

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

Agenda

Civic Affairs Members: McPherson (Chair), Gawthrope Wood (Vice-Chair), Bennett, Robertson, Sheil and Young

Alternates: Bick, Clough and Holloway

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CIVIC AFFAIRS   10 July 2024
                                                                    5.30 - 6.33 pm

Present: Councillors McPherson (Chair), Gawthrope Wood (Vice-Chair), Bennett, Robertson, Sheil and Young

Officers:

Assistant Chief Executive: Andrew Limb
Chief Financial Officer: Jody Etherington
Democratic Services Manager: Dan Kalley
Meeting Producer: Boris Herzog

Others in attendance:

Mark Hodgson: Director, EY

FOR THE INFORMATION OF THE COUNCIL

24/20/Civ   Apologies

Apologies were received from Rob Bennett the Council's Independent Person.

24/21/Civ   Declarations of Interest

There were no declarations of interest received.

24/22/Civ   Minutes

The minutes of the meeting held on 15 May and 23 May were agreed as a true and accurate record.

At this point in the meeting the Chair, with the agreement of the Committee, re-ordered the agenda to take the update to alternative's to Area Committee's first, followed by the External Audit Plans and finally the Interim Value for Money Arrangements. For the purposes of the minutes the items have been kept as per the order of the published agenda.

24/23/Civ   Public Questions

Question one:

Does the chair believe that the city council and its officers should act in accordance with the obligations imposed by Article 2 of the Human Rights Act?

The Chair of the Committee responded:

The Council and its officers take their duty to act in accordance with the Human Rights Act and any other legislation that has an impact on its residents. Officers and Members of the Council work hard to ensure that the rules around this legislation are taken into account.

24/24/Civ   External Audit Plan 2023/24

The Committee received a report in relation to the External Audit Plan 2023/24.

The report was introduced by Mark Hodgson, Partner Ernst&Young (EY).

Prior to the General Election there was a backlog to the external audits that needed to be completed. Although there had been a change in government the proposals that were being consulted on had been given cross party support and there was no reason to suggest the proposals would change. This included support for legislation and a backstop date for the 2022/23 audits to be complete, it was unlikely that the original date of end of September would be met, but there was still an assumption that the legislation would be passed in due course.

With regards to the audit plan this was to set out the risks the external auditors saw that would potentially have an impact on the audit opinion. In terms of materiality levels, the external auditors were working to a figure of £3.39 million, this meant anything above this could have an impact on the audit opinion. In addition any auditing difference of over £169,500 would be reported on in the audit results report. The Committee were made aware that the pension fund was for this accounting period an asset rather than a liability, which was generally the case for the Council and similarly for other local authorities. There was also a new risk added around the Housing Revenue Account (HRA) following earlier issues around the rent regulations and the Council had a liability as at 31 March.

In terms of the future timeline it was hoped that the audit report would be ready by the end of November this year, however this would be held ready until the

legislative processes had been completed following the change in government. Finally, this was the first year of five with regards to the new audit fee to which the Council had opted into.

Members of the Committee commented on the report which included:

i. In terms of the pensions asset this was recorded on the balance sheet. This was then contained within a reserves fund but could be seen as a liability or asset on any given year.

ii. The audit fees had increased and took into account the extra responsibilities that external auditors now had. There were still issues with resourcing for carrying out audits, both externally and within local authorities, this was an ongoing issue. It was important to note that there were additional issues that created the backlog, for example the pandemic and being able to work closely with Council officers and the issue around infrastructure assets which had only been recently resolved.

iii. With regards to making progress with the Council audits the team was now fully resourced and in a position to carry out audits as necessary. As a whole EY were successful in recruiting a number of graduates into the profession, with the aim of making the role more attractive to work in.

iv. The audit fee itself was set nationally.

v. The only new standard of accounting that was coming in was IFS16 which was an identify for future reference.

vi. In terms of any comments around why the accounts were being audited late these needed to be fed back to officers to be able to respond adequately.

vii. The pension asset was an audit risk due to the calculation that was used to create the position of the pensions being an asset, especially in terms of moving from a significant deficit to an asset.

The Committee agreed to resolve (Unanimous) that the contents of the EY Audit Plan 2023/24 are noted

24/25/Civ   Interim Value for Money Arrangements Report 2022/23

The Committee received a report in relation to the interim value for money arrangement report 2022/23 External Audit Plan 2023/24.

The report was introduced by Mark Hodgson, Partner Ernst&Young (EY).

Members of the Committee commented on the report which included:

    i.   The increase in audit fees was to ensure that local authorities received assurances from their accounting procedures. This was consistent across all local authorities.

    ii.   The Council had a statutory obligation to produce and publish its own draft financial statements by a due date. For the year 2022/23 this was to be published by end of May, however the Council only published at the end of June. This was therefore put down as a weakness as it was the Council's responsibility to do so. It was noted that the Council did publish the reasons why it was late and therefore there were no concerns with regards to this.

The Committee resolved (Unanimous) that the contents of the EY Interim Value for Money Arrangements Report 2022/23 are noted.

24/26/Civ   Update to Alternative Options to Area Committees

The Committee received a report in relation to an update to alternative options to Area Committees.

The report was introduced by the Assistant Chief Executive. Th report was being presented as a follow up to that presented in October 2023. Since then the Council had engaged New Local to speak to representatives from the Council and to see what other local authorities had done to engage with their communities.

The new Communities Director was looking at restructuring the group, which would include how the Council engages with communities. There were no definitive proposals yet in place, but ideas were being explored. It was recommended to extend the pause in Area Committee's for the remainder of the Municipal Year. It was anticipated that a report would be presented to the Environment and Communities Scrutiny Committee in the New Year.

There were areas within the City that were already undertaking work around community engagement, whereas others would need more support from the Council.

Members of the Committee commented on the report which included:

i.   In terms of Shaping Abbey there were lessons that could be learned for future iterations. The broad approach and intent was to bring together officers and residents.

ii. The next steps in the process would be further thinking from the Director of Communities and how they engaged with community groups. It was possible to trial new ways of working over the coming months.

iii. The approach to look at how the Council engaged with communities was welcomed. There were still concerns over the continued pause in Area Committee's especially as nothing new in terms of engagement had been put forward.

iv. New Local were a separate organisation that had done a lot of work with community wealth building. They had worked with a number of local authorities and some of their experience of working with communities was outlined in appendix 1.

v.   Some community groups were better equipped and already had a voice in terms of working across their community. However, there were some communities that did not have as loud a voice and it was important that the Council worked more closely with those groups to ensure they were heard.

vi. Members were more up to speed on the issues affecting local communities and this was an opportunity to work with communities to shape some of the future ways of engagement.

The Committee resolved (unanimously) to recommend to Council that Area Committees be paused for the remainder of the municipal year, 2024/25, while pilot work on alternatives continue and while more detailed proposals are developed for implementation from the start of the municipal year 2025/26

The meeting ended at 6.33 pm

CHAIR

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REPORT TITLE: FREEDOM OF INFORMATION, DATA PROTECTION AND TRANSPARENCY: ANNUAL REPORT 2023-24

To:

Civic Affairs Committee 11th September 2024

Report by:
Adam Brown, Data Protection Officer & Information Governance Manager
Email: adam.brown@3csharedservices.org

Wards affected:
All

1. Recommendations

1.1 It is recommended that Civic Affairs Committee:

1. Note the contents of the report

2. Purpose and reason for the report

2.1 The purpose of this report is to provide an update on Information Governance activity and performance during 2023/24 (April 2023 - March 2024).

It provides:

- An overview of the current arrangements in place to monitor the Information Governance arrangements at the Council including Data Protection Compliance and Information Security / Cyber Security Compliance.

- An update on the council's performance relating to:

  - Freedom of Information Act (FOIA) / Environmental Information Regulations (EIR) Requests

  - Data Subject Access Requests

  - Personal Data Incidents

3. Alternative options considered

3.1 This is an update report for members and so no alternative options considered at this stage.

4. Background and key issues

4.1 Information is a vital asset and needs to be managed securely by the council. Appropriate policies, guidance, accountability, and structures must be in place to manage the council's information legally, securely, and effectively to minimise risk to the public and staff and to protect its finances and assets.

Information Governance describes the comprehensive approach to managing information. This includes access to information, data quality, information management, information security and sharing, data privacy and data protection and other relevant information law compliance, including the Freedom of Information Act, the Data Protection Act/UK GDPR, the Environmental Information Regulations, and Privacy in Electronic Communications Regulations.

4.2 **ORGANISATIONAL ARRANGEMENTS**

The Information Governance Service for Cambridge City Council, South Cambridgeshire District Council and Huntingdonshire District Council is currently provided by 3C ICT Shared service hosted by Huntingdonshire District Council. The Information Governance (IG) Team leads on Information Requests, Data Protection Compliance, Data Privacy and provide additional advice around Information Management; whilst the 3C ICT Cyber and Information Security Team provide support on Information Security.

The IG Team consists of six members:

- The Data Protection Officer (DPO)/Information Governance Manager, manages and oversees the service, and provides specialist advice on complex matters around data protection and information management for all three councils.

- The Deputy Data Protection Officer who provides cover and supports the team in the absence of the DPO and is also responsible for the information asset registers for the three councils and supports the Information Management Officers.

- The Requests Manager who leads the information requests and transparency functions for the team. The Requests Manager provides specialist advice and

guidance to staff and Members on FOIA and EIR. This is a new post as of June 2023.

- Information Management Officers who provide advice and guidance to the councils' internal departments on matters relating to data sharing, data protection impact assessment and personal data incident investigations.
- Two part time Information Governance Officers who manage incoming information requests and coordinate internal requests for support around personal data incidents/breaches, advice on data sharing and data protection impact assessments/contract reviews.

As this is a shared service, the Data Protection Officer (DPO) is the statutory DPO for all three authorities.

A Joint Information Governance and Security Board was established in April 2023, to replace Cambridge City Council's Information Security Group. The Board is made up of representatives of Cambridge City Council, HDC, and SCDC to ensure that the three councils work together to manage their data and to ensure good information security and governance. The Information Governance and Security Board monitors and is responsible for ensuring that the council meets the compliance obligations of relevant information law.

Terms of reference for the Joint Information and Security Board were agreed in April 2023.

The Joint Information Governance and Security Board meets quarterly and last met in July 2024.

4.3   **DATA PROTECTION COMPLIANCE**

Compliance against the obligations of the Data Protection Act and UK GDPR are monitored in line with the ICO's Accountability Framework.

The ICO's Accountability Framework has been expanded, where appropriate, to consider the other information law regimes that come under the remit of the 3C ICT Information Governance service which are.

- Freedom of Information Act (FOIA), and
- Environmental Information Regulations (EIR).

The Information Governance Team work against identified risks and issues in the Accountability Framework, against the areas of

- Contracts and Data Sharing
- Individual's Rights
- Leadership and Oversight
- Policies and Procedures
- Risk and DPIA
- Lawful Basis and Records of Processing Activity (ROPA)

- Training and Awareness
- Transparency

Updates to monitor the status and progress of the plan are provided to the Joint Information Governance and Security Board on a quarterly basis.

New guidance and policies introduced in 2023-24 include.

- Data Protection Policy

- Appropriate Policy Document

- Access to Information Policy

- Acceptable Use Policy

- Generative AI Policy, and AI guidance microsite for staff

- Record Retention and Management Policy

4.4 **INFORMATION SECURITY COMPLIANCE**

Cybersecurity continues to be crucial to daily operations and standard corporate procedures. The council must maintain safe and secure systems that give residents, members of the public, and partner agencies assurance to integrate systems and share information and data across numerous platforms.

3C ICT are still working with The Ministry of Housing, Communities and Local Government (MHCLG) to lower cyber risk. The internal vulnerability scanning solution has been set up. This has enabled the security team to focus on fixing issues based on risk score.

As a result of setting up and configuring systems that help to safeguard and oversee the environment, the council decided to finance an additional role in the cyber team. The team expansion was driven by the MHCLG recommendations of the need for these systems.

The National Cyber Security 10 Steps have maintained green status throughout the year. User education enhancements were the priority, with quarterly phishing test campaigns initiated in the last quarter. The outcomes of the test identified staff that required additional help in how to identify phishing emails.

Changes to the endpoint detection and response solution has enhanced the council's security posture as it provides continuous and comprehensive visibility into what is happening on endpoints in real time.

4.5 **DATA PROTECTION REQUEST PERFORMANCE**

The Data Protection Act 2018 is the UK's implementation of the General Data Protection Regulations (GDPR). Data protection is concerned with personal data about individuals rather than general information.

The Information Governance Team coordinate requests relating to individuals' rights such as right to request access to the personal data the Council holds, right to erasure, right to rectification as well as third party requests for personal data such as from the Police or to prevent or detect fraud.

Individuals' rights requests must be responded to within a month.

Individual requests made during the year were as follows:

	Received	Compliance with time limit
Data Rights Requests (including Erasure Requests, etc.)	21	90%
SAR Reviews	3	67%
ICO SAR Complaints	0	-

Table 1: Personal information rights requests 2023-24

Whilst not required by the Data Protection Act, it is best practice to provide a review stage to personal information rights requests. As with requests made under FOIA or EIR this allows the Council the opportunity to review its handling of the request and to consider any appeals that the requester has made in relation to their request.

Requesters also have a right to complaint to the ICO in their capacity as the regulator. The Council did not receive any complaints from the regulator this year.

4.6 **PERSONAL DATA INCIDENTS AND BREACHES**

The guidance on notification of data breaches under the Data Protection Act / GDPR is that if an incident is likely to result in high risk to the rights and freedoms of individuals, the Council must inform the ICO within 72 hours of becoming aware of the issue. If it's likely to result in high risk to rights and freedoms of individuals, the Council has a lawful duty to inform the individuals without undue delay.

As result, the Information Governance team have established a framework to ensure that each reported incident is assessed for:

• The potential detriment and adverse effect to the data subject. This includes emotional distress and information about the private aspects of a person's life becoming known to others.

- The extent of detriment. Which could depend on the volume of the data and its sensitivity.

The assessment is conducted by a member of the IG team when an incident is logged by a Service Area.

All incidents relating to personal data are logged to identify any trends, with the view to establish if any specific mitigations need to be put into place to prevent likely recurrence. Mitigations include requiring additional training, reviewing current processes, or issuing advice or briefing notes.

	Incidents/breaches	Reported to ICO
2020-21	32	1
2021-22	29	1
2022-23	26	1
2023-24	35	1

Table 2: Personal data incidents 2020-2024

35 incidents were reported and investigated in 2023-24. Of these, one incident was considered to meet the threshold for reporting to the ICO.

The ICO reviewed the incident and confirmed the findings of the investigation. The ICO closed the case with no further actions for the Council.

A breakdown of all incidents is as follows:

Type of Incident (Category)	Number
Personal details inappropriately disclosed (e.g. via email or by post)	20
Lost or stolen paperwork	5
Technical security failure	4
Uploaded to website in error	2

Lost or stolen equipment	1
Unauthorised access/disclosure	1
Other	2

Table 3: Categories of personal data incidents 2023-24

In all instances, immediate steps were taken by officers to mitigate the incident, once known. Examples of incidents include correspondence being sent to the incorrect recipient, or documents being inadvertently published to the website. All Council devices are remotely wiped once a loss or theft is reported, and usage logs checked to identify whether the device has been accessed following its loss.

A quarterly update on incidents is provided to the SIRO to ensure visibility and ensure any improvements needed are discussed and followed through as appropriate. Where relevant learning from breaches/incidents/near misses is also shared across the three councils to minimise the risk of further occurrence.

4.7 **FREEDOM OF INFORMATION / ENVIRONMENTAL INFORMATION REQUESTS**

The public has the right of access to information held by the Council under the Freedom of Information Act. The Freedom of Information Act (FOIA) works alongside the Environmental Information Regulations (EIR).

Requests for information that are not dealt with as part of the day-to-day business of the Council should be considered as Freedom of Information requests.

In October 2023 a new request management system for information requests was introduced. This system manages requests made under FOI, EIR and Data Protection requests.

3C ICT Information Governance oversees a request management system for handling information requests. Ownership of the response to these requests is placed on service areas by means of key responders and champions being designated and responsible for ensuring their service responds within the legal time limit of 20 working days. An Information Governance Officer coordinates all formal requests and allocates specialist support from the Information Governance team where service areas require this.

In 2023-24 (Apr – Mar) the council received a total of 623 requests under FOIA and EIR.

This represents a 9% increase in the number of requests received in the previous year. This brings the number of requests closer to the levels the Council received in 2019-20.
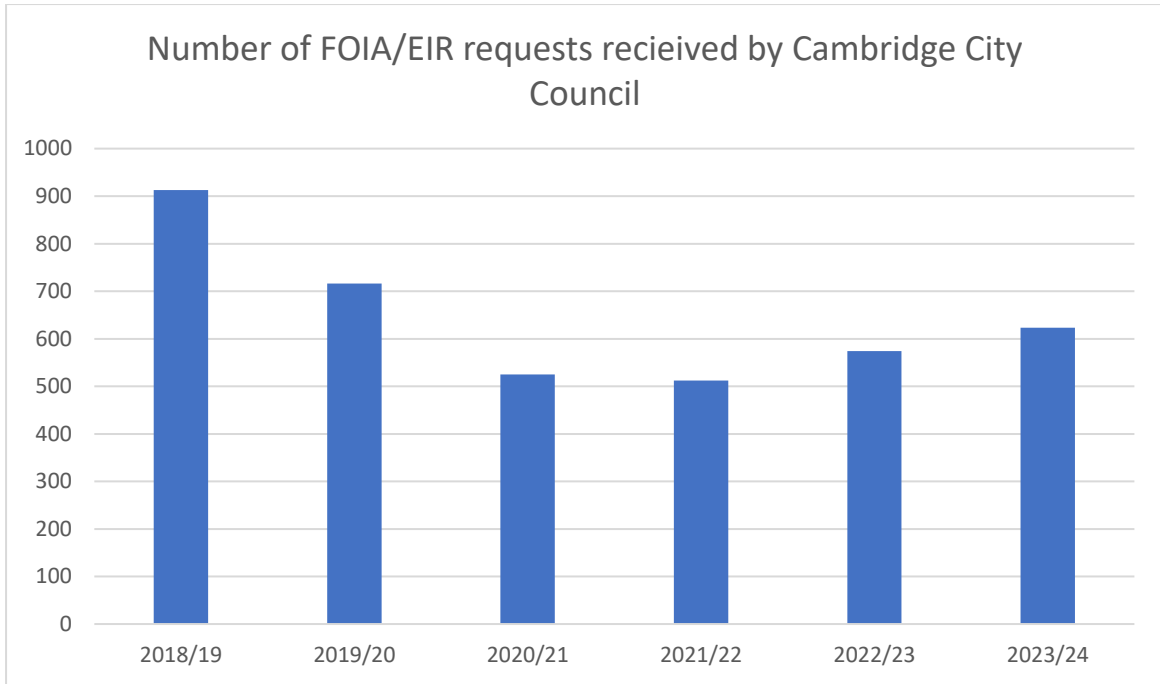
Chart 1: Information requests to Cambridge City Council 2018-2024

The Council works to a target of 90% response compliance within 20 days as advised by the Information Commissioner. The Council achieved 84% in 2023-24 which is a decline in performance from 89% last year.

Detail of the requests received across all Council services is provided below. The Communities Group received the most cases.

Service	Received
2CSS WASTE	8
3CSS Building Control	1
3CSS ICT	38
3CSS Legal	5
Greater Cambridge Shared Planning	50
Chief Executive Office	36
City Services	84
Communities Group	219
Corporate Group	166
Place Group	13
Various	3

Table 4: Number of requests per service area

Access to information acts such as FOIA and EIR provide a limited right of access. Information may be withheld if an exemption applies to its disclosure. All the information was provided for most requests with 72% of requests receiving a full or partial response. See breakdown of outcomes below.

Request Outcome	Count
All information provided	365
Some information provided; remainder exempt	47
Some information provided; remainder not held	11
Not held	97
Refused on grounds of time/cost	3
Exemptions applied to all information	46
Concluded outside of legislation	1
Withdrawn	29
Vexatious	1

Table 5: Outcomes to information requests 2023-24

The IG team continue to provide reports on performance and compliance with the legislation, which are shared on the City Council intranet on a quarterly basis. These reports also enable services to understand trends, and to help focus on what should be uploaded onto their publication scheme.

Requestors have the right to a review of their case if they are not satisfied with the outcome or how the request was handled, before taking further action to the Information Commissioner's Office.

	Received	Response within 20 working days
Internal Reviews	11	91%
ICO Complaints	2	100%

Table 6: Information request reviews and complaints to regulator 2023-24

Two cases were investigated by the regulator. The regulator upheld the complaint of the requester in one case (IC-244144-N7D5), and issued a decision notice requiring further information to be released to the requester. The regulator upheld the position of the council in the second case (IC-270963-D7N4) and no further action was required.

4.8 **TRAINING**

To ensure organisational compliance with the law and relevant guidance relating to Information Governance, all staff must receive appropriate and relevant training at regular intervals.

In 2020-21 it was recommended the council move to an annual mandatory refresher of GDPR and cyber security training, this recommendation was adopted.

The IG Team provide quarterly updates on GDPR training completions to the SIRO.

5. Corporate plan

5.1 The report provides assurance that the Council is meeting it's strategic priorities under **Priority 4: Modernising the council to lead a greener city that is fair for all** by running our services in an efficient way and continuously improving our services

6. Consultation, engagement and communication

6.1 Senior managers have been consulted in the production of this report.

7. Anticipated outcomes, benefits or impact

7.1 The Council takes transparency issues seriously and is broadly compliant with the legislation. Several measures have been put into place to increase the Council's

performance in these areas, and to reduce the risk of breaches in compliance with the legislation.

Officers will continue to review practice, learning from 3C ICT partners and others to strive to continually improve performance, serve residents better and reduce the council's exposure to risk.

8. Implications

8.1 Relevant risks

No decision required that would result in impact to risks

Financial Implications

8.2 No decisions with financial implications are proposed in this report.

Legal Implications

8.3 No decisions with legal implications are proposed in this report

Equalities and socio-economic Implications

8.4 This report does not propose decisions with equalities impacts, so an EqIA has not been produced.

Net Zero Carbon, Climate Change and Environmental implications

8.5 No decisions with environmental implications are proposed in this report.

Procurement Implications

8.6 Not Applicable

Community Safety Implications

8.7   Not Applicable

9.   Background documents

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

9.1   There are none

REPORT TITLE: Internal Audit Update Report

To:
Civic Affairs Committee [11/09/2024]

Report by:
Jonathan Tully, Head of Shared Internal Audit Service
Tel: 01223 458180 Email: jonathan.tully@cambridge.gov.uk

Wards affected:
All

1.   Recommendations

1.1   It is recommended that Civic Affairs Committee review the supporting information, in the appendices, to:

1.   approve the draft Internal Audit Plan and Strategy; and
2.   approve the supporting Charter and the Code of Ethics.

2.   Purpose and reason for the report

2.1   This report introduces the proposed Internal Audit Plan and Strategy, for the next six months of the 2024 / 2025 financial year, for consideration by the Civic Affairs Committee.

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.

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).

2.2   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."

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".

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.   Alternative options considered

3.1   Our Internal Audit plan is agile, and risk based. Alternative options include increasing or decreasing the volume of internal audit work, or prioritising existing resources to different reviews. The current plan is considered sufficient to enable an audit opinion for the Annual Governance Statement.

4.   Background and key issues

4.1   Internal Audit Plan

Appendix A is our risk-based Audit Plan which is continually updated. It has been based upon the Risk Registers, the Corporate Plan, ongoing consultation with stakeholders, committee reports, information from other assurance processes, plus horizon scanning to consider emerging risks and opportunities.

Our Audit Plan enables us to give an audit opinion on the Council's system of internal control, risk management and corporate governance arrangements.

It is good practice to operate an agile plan that continuously adapts in response to the governance risk and control environment. 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 present 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.

4.2   Assurance update

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.

4.3   Charter and Code of Ethics

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, and changes to terminology introduced in the revised Global Internal Audit Standards. 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.

4.4   Strategic and professional changes

New Global Internal Audit Standards have been issued in 2024, and form the basis for revised Public Sector Internal Audit Standards which are expected to be published shortly. The Internal Audit team was externally assessed as compliant to the current standards. We have started to review and update our policies and procedures to adopt the new standards and will be externally assessed to those in future.

The Internal Audit team, while independent, is part of the proposed Corporate Hub which is currently being reviewed as part of the wider Our Cambridge programme.

Updates from these activities may require further updates to our Internal Audit Charter and Plan. Any materially significant changes will be reported back to the Civic Affairs Committee.

5.   Corporate plan

5.1   Internal Audit work contributes to all priorities of the Corporate Plan. Whilst our work is predominantly risk-based, we also map our work program to Corporate Priorities for assurance that we contribute to a breadth of Corporate Plan areas.

6.   Consultation, engagement and communication

6.1   The Internal Audit Plan is agile and based on continuous engagement with colleagues. Requests for work are considered alongside our own risk appraisal. Members of the Civic Affairs Committee can also contribute to the plan by identifying areas where they would welcome assurance.

7.   Anticipated outcomes, benefits or impact

7.1   Delivery of the Internal Audit Plan will enable me to provide an opinion on the overall adequacy and effectiveness of the organisation's internal control environment, governance, and the risk management framework. This will form part of the Annual Governance Statement.

8.   Implications

8.1   **Relevant risks**

Approving the Internal Audit Plan enables the Council to review the effectiveness of our risk management. If the plan is not approved there is an increased likelihood that hazards and risks may crystalise.

Financial Implications

8.2   None, budget already approved.

Legal Implications

8.3   None

Equalities and socio-economic Implications

8.4   None

Net Zero Carbon, Climate Change and Environmental implications

8.5   None, the team leverages digital technology to minimise the need for travel.

Procurement Implications

8.6   None, identified.

Community Safety Implications

8.7   None.

9.   Background documents

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

9.1
- Public Sector Internal Audit Standards
- CIPFA Local Government Application Note
- Corporate Plan

10.   Appendices

10.1   a)   Internal Audit Plan and Strategy
        b)   Progress Update
        c)   Internal Audit Charter

d)   Internal Audit Code of Ethics

e)   Glossary of Terms

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.

Cambridge City Council

1 Introduction

1.1 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."

1.2 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".

1.3 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.

1.4 This document demonstrates how we will support the overall aims and objectives of the Council. Our plan 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.

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 strategic aim is to deliver a co-ordinated audit plan for both Councils. This should add value by providing assurance, improving controls and reducing risk.

2.3   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   Our vision is: "To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight".

2.5   We provide an independent, objective assurance and consulting service that adds value and improves the Council's control environment. This 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.

Definition	Details
Audit and assurance	Assurance is our key role, and the Head of Shared Internal Audit provides an 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.
Consulting and advisory	We also complete 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.

2.6

3 Internal Audit Plan

3.1 Our work will support the Council's corporate objectives, and the corporate governance framework.

Identifying work

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 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.

3.4 Our 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 Our plan needs to be agile and flexible enough to enable us to be reactive to situations arising during the course of the period covered by the plan.

4.4 Time allocations for reviews are based on strategic planning, plus our 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   The main types of our audit and assurance work are:

Type	Details
Risk Based	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.
Core Work	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. Some work may be mandatory, such as providing assurance to central government on expenditure.
Third party	We will also take assurance from third parties. Leveraging resources of other assurance functions helps to provide coverage of the Councils controls environment whilst minimising the duplication of effort. 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.
	As a shared service we also provide assurance work for other shared services delivered across the Councils. The output of the work will be reported to all stakeholders.

5.2   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.

5.3   Our reviews are categorised by themes to help us communicate the areas of focus. Our major key themes for 2024 / 2025 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, after implementation, for benefits realisation and to provide assurance that key controls continue to operate effectively.
Resilience and recovery	Our plan reflects changes to the risk and control environment as events continue to drive rapid change across the Council. We will add value to the Council by providing real-time assurance on new and developing processes and controls.
Governance	We will review governance areas where it helps add value to the Council, stakeholders, or if there is a statutory requirement. We will also contribute to the Annual Governance Statement.

6   Follow-ups

6.1   To ensure that agreed actions are being implemented, follow-up work will be carried out.

6.2   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 audit plan, resources are allocated to deliver other activities, which are classified as "Governance Risk and Control" or "Other Resource Provisions". Examples are detailed later on in the report.

8   Summary

8.1   The Internal audit plan will add value to the Council by helping to improve systems, mitigate risks, and inform the Annual Governance Statement.
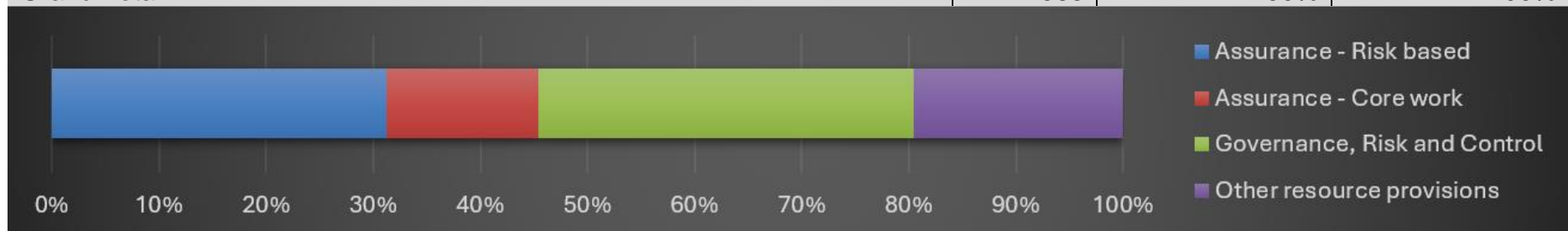
9   Our forward plan

9.1   Our work plan can be categorised broadly into the following areas:

Audit area	Activity	Description
Assurance	Risk based	Internal Audit reviews based on risk prioritisation. Factors include materiality, corporate importance, vulnerability, risks and opportunities. The overall aim is to add value by providing assurance, improving controls and reducing risk.
	Core Work	Reviews of systems that are fundamental to the Council's governance, risk and control environment. This type of work will also include mandatory activities, such as providing assurance to third parties, such as Central Government, through grant certification.
Governance, Risk and Control	Internal Audit Opinion	The Internal Audit lead for their relevant audit committee provides an opinion on the governance, risk and internal control framework in place within the Council.
	Internal Audit Effectiveness	A continuous Quality Assurance and Improvement Program to the Public Sector Internal Audit Standards and the Local Government Application Note, is completed.
	Governance Framework	We support the development of the Annual Governance Statement, the associated Action Plan and review of the Local Code of Governance.
	Prevention of Fraud and Corruption	We co-ordinate the National Fraud Initiative, a proactive data matching exercise, and are a key contact for data analytical tools. We work with the Fraud team to support development and awareness of fraud and error risks across the Council.
	Risk Management	We are the corporate lead and facilitate the Risk Management Strategy and Framework. An allocation of time is also made for administration of the corporate 4Risk system and providing training and development to colleagues. We undertake this work as it helps contribute to effective risk management.
	Follow up provision	Historic audits reviews, where there have been concerns identified, are followed up to ensure that agreed recommendations have been implemented.

Other resource provision	Transformation	We support the Council's Transformation Program by proactively working with teams and supporting projects where we can help add value to improving the governance risk and control environment.
		The Head of Internal Audit chairs the Change Assurance Team (CAT) which is a board with representatives from key corporate functions. The purpose of the CAT is to provide assurance for complex and strategic projects and act as critical friend.
	Contingency: advice / irregularities	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.
		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.
		An element of time has been set aside to allow for these activities within the plan.

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

Audit area	Days	Current year	Previous Year
Assurance - Risk based	183	31%	48%
Assurance - Core work	83	14%	13%
Governance, Risk and Control	205	35%	24%
Other resource provisions	114	19%	15%
Grand Total	585	100%	100%

Observations

9.3   This table illustrates how we anticipate our estimated allocation of work for the Council is changing from the past 12 months:

Audit Area	Trends and notes
Assurance - Risk based	There is a decrease from the previous year, reflecting the proactive work planned in other areas. If additional capacity becomes available, we will bring forward risk-based work from our long-term plan.
Assurance - Core work	This is consistent with the previous year.
Governance, Risk and Control	There is an increase in demand, which reflects: • planned periodic in-depth review of our Code of Governance; • development of Risk Management Framework / implementation of the Strategy; • development of a revised assurance framework through the Corporate Hub; • adoption of revised GIAS / PSIAS; • management of the biennial National Fraud Initiative extract and processing; • supporting implementation of the countywide Council Tax Compliance & Counter-Fraud Initiative; • supporting development of new governance arrangements and incorporation of CIPFA best practice
Other resource provisions	There is an increase, which reflects: • supporting work on Housing Rent Charges • supporting assurance role on Transformation Boards • participation and development of the new Corporate Hub

Assurance work

9.5   This work provides assurance to all stakeholders of the Council. It also supports the s.151 officer for their commentary included in the authority's Annual Statement of Accounts. The reviews planned for the next six months are listed in the table below:

Review	Assurance type	Progress update	Scope and description
Risk based			
HRA - Safety - Asbestos	Compliance	This work is in progress	The new Social Housing (Regulation) Bill has two very notable focus areas: fundamental reform to the remit and powers of the Regulator for Social Housing (RSH) – from reactive to proactive regulation; and a focus on Health and Safety matters including tenant empowerment.
HRA - Safety - Stakeholder engagement		This work is in progress	
HRA – Safety – Damp and Mould		This work is scheduled for later in the year.	Local Authority Registered Providers (LARPs) are now accountable to the Regulator of Social Housing (RSH). We have agreed a testing programme to help the Council respond to the changes. For each review we will provide assurance that the Council has appropriate governance framework for the monitoring and reporting of housing safety compliance.
Safeguarding - Modern Day Slavery	Heartbeat assurance	This work is in progress	Review of the existing governance arrangements in respect of modern-day slavery.
Housing Rents - Refunds	Data quality and analytics	This work is scheduled for later in the year.	We will review housing refund data to provide assurance that it has been calculated correctly.

Review	Assurance type	Progress update	Scope and description
Business Transformation - Project Management Framework	Governance	This work is scheduled for later in the year.	Review the framework and governance arrangements for managing projects, plus review of the enterprise portfolio management system.
Core work			
Carbon management - Data Quality	Data quality and analytics	This work is being finalised.	Resource allocated to quality assure carbon data management and delivery of key environmental projects.
Information Governance - GDPR	Embedded assurance	This work is in progress	Participation in the corporate Information Governance Board enables us to review thematic areas and provide assurance that policies are being managed effectively to educate colleagues on emerging risks and improved ways of working.
Risk Management Strategy	Embedded assurance	This work is in progress	Review of the risk management performance to provide assurance that the framework is embedded within the Council.
Grant assurance - Home Upgrade Grant: HUG2	Grant assurance	This work is scheduled for later in the year.	This is a central government scheme to assist decarbonisation of properties. We will review a sample of grants to provide assurance that funds were spent in accordance with grant conditions.
Grant assurance - Region of Learning	Grant assurance	This work is scheduled for later in the year.	We will provide assurance back to the funder (Arts Council) that funding has been spent in accordance with grant conditions.
Grant assurance - Coronation Living Heritage Fund	Grant assurance	This work is scheduled for later in the year.	Coronation Living Heritage Funding has been provided to support biodiversity improvements. We will provide assurance than expenditure is compliant with the grant scheme conditions.

Review	Assurance type	Progress update	Scope and description
Grant assurance - Disabled Facility Grant	Grant assurance	This work is in progress	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.
Grant assurance - Changing Places	Grant assurance	This work is scheduled for later in the year.	This is a central govt scheme to scheme to build disabled access toilet facilities. We may need to provide the S151 with assurance that the grant conditions have been met on scheme closure.

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. Since June 2020 we have reported a six-month plan, as this gives us the flexibility to respond and deliver an audit plan that adds value to the Council.

2.2 The audit assignments are delivered by a team of audit staff including a mix of highly regarded professional qualifications (including CIPFA, ACCA and IIA). The team currently has a vacancy, which is included in the resource plan. The team structure is being reviewed as part of the Corporate Hub redesign. We also utilise alternative resources such as agency workers or internal secondments. During 2023/2024 and 2024/2025 we accommodated a Graduate Trainee within the team through the LGA National Graduate Development Program and this was a very positive experience.

2.3 The team participates in continuous learning and professional development. We also meet quarterly for dedicated internal PSIAS reviews to maintain our periodic PSIAS assessments and identify learning and development opportunities for the team. We have been developing our knowledge of data analytics and have also been trialling AI in our work programmes.

2.4 Progress of the plan delivery is illustrated on the following pages for information. We previously reported to the Committee in February 2024.

3   Assurance and opinion

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 various sources: the work of Internal Audit; the work of the External Auditor; and 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, we issued recommendations to 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 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.
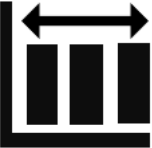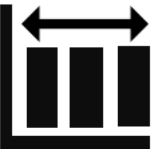
4   Independence and Objectivity

4.1   It is important that the Internal Audit service is sufficiently independent to provide an objective annual opinion.

4.2   We safeguard against any potential ethical threats by preparing an Internal Audit Code of Ethics, which is presented to the Committee annually.

4.3   Every year, all members of the team complete a declaration form to ensure and maintain independence and objectivity in conducting all assignments.

4.4   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.
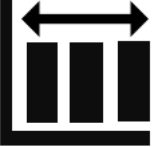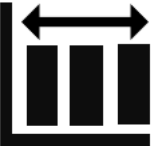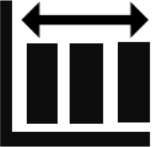
6   Progress update

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

Audit	Assurance and actions		Summary of report and actions
Information Governance	**Assurance:**		We participate in a new 3C Information Governance Board that consists of the Senior Information Risk Officer, the Data Protection Officer (shared by all three Councils) and relevant Operational Officers in the Council.
	Current:	Reasonable	
	Previous:	Reasonable	
	Actions:		The Board reviewed relevant policies, procedures and toolkits, cyber security risks, completed an ongoing health check.
	Critical	0	The possibility of Cyber Risks increased during the general election and regular proactive communications were sent out to remind colleagues about the best ways to reduce threats.
	High	0	
	Medium	0	This integrated assurance approach helps us to evaluate the Information Governance Framework and determine there is reasonable assurance that the framework is functioning effectively.
	Low	0	
Risk Management	**Assurance:**		The Council is implementing the Risk Management Strategy, approved by the Civic Affairs Committee, and continues to launch additional elements of the new risk management system. There has been positive progress at increasing the level of engagement, which is evident by reviewing risk data over a 12-month period.
	Current:	Reasonable	
	Previous:	Reasonable	
	Actions:		
	Critical	0	Consequently, we can give reasonable assurance that the risk management framework is embedded.
	High	0	
	Medium	0	
	Low	0	

Audit	Assurance and actions		Summary of report and actions
Homes for Ukraine New	**Assurance:** Current: Previous: **Actions:** Critical High Medium Low	Limited New review 0 2 3 0	We reviewed the Council's approach to the Homes for Ukraine scheme which has supported over 560 Ukrainians arriving in Cambridge since its launch in March 2022. We reviewed the Council's processes for making payments to hosts and guests, the completeness of the data management records and the accuracy in the quarterly reporting to the County Council. We highlighted some issues with the lack of supporting information retained to validate the earlier quarterly returns to the County Council. Our data validation identified there has been an overpayment of £33k due to recording an incorrect number of guest arrivals in the Q3 return and will be adjusted in future payments received from the County. There is further work to undertake to reconcile expired subsistence vouchers and enable the Council to re-issue vouchers and reconcile the total funding to finance records. Work has already begun to address these issues.

Audit	Assurance and actions		Summary of report and actions
HRA - Electrical Safety Compliance	**Assurance:**		We completed a review of the Electrical Safety Compliance for the Council's housing stock at the request of Management. Our data validation tool identified discrepancies with the data held within the service record and the contractor's record. This included inconsistent dates of electrical inspections and missing/inaccurate UPRN data records between the service record and the contractor's record. Good progress has already been made by the team to ensure both records are consistent and accurate.
	Current:	Limited	
	Previous:	Limited	
	Actions:		
	Critical	0	
	High	7	Our review of records highlighted there are approximately 2000 properties that do not have a valid electrical inspection certificate. This is as a result of a number of factors including a change in the frequency of electrical inspections being carried out from a 10-year cycle to every 5 years as per the Regulations, and a delay in the implementation of the electrical inspection programme of work due to a change in the procurement of the TSG contract. Measures have been put in place to address this issue whereby the contractor has employed three additional contractors to work on the CCC contract.
	Medium	4	
	Low	0	
			We attend the Housing Compliance Board and have already seen a noticeable improvement following our review. We will follow-up this audit for completeness.

Audit	Assurance and actions		Summary of report and actions
Procurement Governance (icon)	**Assurance:** Current: Previous: **Actions:** Critical High Medium Low	Reasonable Reasonable 0 3 0 0	We followed up the management agreed actions from our previous review, reported in July 2023. Due to proposed changes in procurement legislation, there has only been partial progress with implementing the three high category actions: • Contract Procedure Rules (CPRs) are being rewritten and will be taken to full Council for approval during September 2024. • Once the revised CPRs are approved, the procurement intranet pages will be updated to include hyperlinks to all procurement documentation and related policies. • Drafted guidance for the appointment of consultants/contractors is expected to be reviewed by the new Chief Financial Officer in June 2024. We will follow-up the actions to provide assurance they are completed effectively.
Fleet Management - Fuel Cards Follow Up (icon)	**Assurance:** Current: Previous: **Actions:** Critical High Medium Low	Reasonable Reasonable 0 1 0 0	We followed up the management agreed actions from our previous follow-up review. The team has made good progress in creating a system to obtain, retain and review fuel card receipts. The Driver's handbook has been updated and an exercise is underway to ensure that all fuel card users have signed the fuel card formal agreement. All three stages of the high category management agreed action from the original report have been completed and good progress is being made on the remaining high category management agreed action from the previous follow up review.

Audit	Assurance and actions		Summary of report and actions
Carbon Management – Data Quality	**Assurance:**		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).
	Current:	Full	
	Previous:	Full	
	Actions:		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.
	Critical	0	
	High	0	
	Medium	0	
	Low	0	
			There were no actions arising.
HRA - Tenant Satisfaction Measures - Data Quality	**Assurance:**		Internal Audit report being finalised - information to follow in final Civic Affairs Committee report.
	Current:		
	Previous:		
	Actions:		
	Critical		
	High		
	Medium		
	Low		

Audit	Assurance and actions		Summary of report and actions
HRA - Safety - Fire	**Assurance:** Current: Previous: **Actions:** Critical High Medium Low		Internal Audit report being finalised - information to follow in final Civic Affairs Committee report.

7 Counter fraud and corruption update

Data Analytics

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. Historically this process has not identified significant fraud and error at the Council, and this provides assurance that internal controls continue to operate effectively.

7.2 Internal Audit is the Key Contact for the National Fraud Initiative exercise. We provide data from: Trade Creditors, Housing, Council Tax, Benefits, Market Traders, Electoral roll, plus our Payroll and Pensions. This happens at least every two years, with the Council Tax and Electoral roll data submitted annually. The next data extract is in October 2024.

7.3 The Cabinet Office process the data and issue matches. These are records which have matched to other datasets and could identify potential cases of fraud and error (*they could also be "false positives" with a legitimate reason for the match*). We have not identified any fraud cases from this extract. For further information on the National Fraud Initiative please visit their Cabinet Office website.

7.4 We are working with colleagues in the Revenues to implement the Countywide Council Tax Compliance and Counter-Fraud Initiative. Internal Audit quality assures the data prior to upload to the Cabinet Office website. This work supplements the NFI exercise.

Referrals

7.5 We look to ensure that employees and contractors follow the various policies, procedures and Codes of Conduct established to protect the public purse, as well as the integrity of officers. Consequently, we may investigate fraud, whistleblowing allegations or theft. Matters can be received as a direct request from management or via the whistleblowing route. Under the Council's Whistleblowing Policy, employees are encouraged to report any genuine, serious concerns about any aspect of the Council's work to the Head of Shared Internal Audit.

7.6 Since our previous report we have processed seven referrals, and two of these were covered by Whistleblowing policy. This provides assurance that people are aware of their opportunity to refer concerns via the policy. In all cases, if

appropriate, actions were agreed with management to improve controls which could mitigate risks of fraud and error.

8   Other audit and assurance activity

Public Sector Internal Audit Standards

8.1   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). We are preparing for an external review.

8.2   New Global Internal Audit Standards have been published. We are expecting a refreshed PSIAS to reflect any professional changes. We will keep up to date with standards revisions so they can be adopted promptly.

8.3   We completed our annual internal review process which provides assurance that we continue to meet the standards. We respond to guidance issued by our professional bodies and adapt our assurance approach to help maintain compliance with the standards.

8.4   We have been maintaining continuous professional development in the team. A team focus is building upon our existing data analytical skills, and we have been developing our knowledge in Power Query and Power BI, SharePoint and Co-Pilot.

Governance

8.5   We have continued to facilitate the review of the Annual Governance Statement, and the Local Code of Governance, which accompanies the Statement of Accounts.

8.6   In addition, we are developing a back-office system to help maintain and monitor records in the Local Code of Governance. This should support our assurance mapping and provide better assurance when reviewing our compliance with the Code.

Risk management

8.7   We have continued to provide support on the identification of risks and controls. Following the review of our Risk Management Strategy we have been implementing our improvement program.

8.8   We implemented a new risk management system last year to introduce improvements to querying and data reporting. We continue to deploy new features and are training users.

8.9   We measure the volume of risks updated and reviewed in a period. This information demonstrates the level of engagement, and we can conclude that risk management is effectively embedded in the Council.

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 April 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 2015[1], 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.

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

The following terms are explained:

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 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 contributes to the Risk Management Framework 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 is consistent with guidance 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 presented to the Committee for consultation and support.

9.2 The plan will outline the assignments to be carried out and the broad resources and skills required to deliver the plan. Any difference between the plan and the resources available will be identified and reported to the Committee.

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 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.

10.2 Exit meetings enable management to discuss the Draft Audit Reports. Accountability for responses to Internal Audit recommendations lies with the Chief Executive, Leadership Team and Corporate Management Team, 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 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.

10.3 The table below illustrates the typical approach to completing an audit review:

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.

10.4 This approach will flex according to the type of review, as we need an agile approach that is proportionate to the type of review.

10.5 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.

10.6 Internal Audit reports include actions which are agreed with management and prioritised, plus an overall assurance opinion. These are explained in our Glossary of Terms.

10.7 Our assurance ratings will be subject to regular review to ensure that they remain relevant and robust for the service / organisation.

10.8 Periodic 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.

10.9 Significant issues identified will be referred through to senior management for inclusion in the Annual Governance Statement.

10.10 Examples of our reports are set out below:

PLANNING AND REPORTING FREQUENCY		
Report Produced	**For**	**Reason**
Audit Report	Chief Executive S.151 Officer Leadership Team / Corporate Management Team leads	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.

Continuous improvement

11.6   The Internal Audit team meet regularly to discuss opportunities to develop the team and introduce smarter ways of working. Team members also undertake Continuous Professional Development to maintain awareness of topical matters and professional skills. These activities contribute to our ongoing QAIP.

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:

Principle	Guidance	Objectives
Integrity:	The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.	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:	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.	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:	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.	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:	Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.	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.

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 the 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.

Assurance – Direction of Travel

The symbols below indicate the direction of travel when we have concluded a review:

Control status	Symbol	Details and factors
Improvement		Actions have been implemented New controls have been established Risk factors have reduced
Consistent		Controls continue to operate at the same level The risk environment has stayed consistent
Decrease		Controls have reduced, or not been complied with Risks factors have increased, or new risks have emerged
New		This is a new review and we do not have a comparable benchmark.

Cambridge City Council
Record of Officer Delegated Decision

To Implement the Joint Negotiating Committee's Chief Officers Pay Agreement 2024-2025

Decision taken: 26 July 2024

Decision of: Head of People

Reference: Delegation of Civic Affairs Committee

Date of decision: 26 July 2024

Matter for Decision: Decision delegated from Civic Affairs Committee

Any alternative options considered and rejected: The pay award for the chief officer level posts (Directors and Assistant Directors) 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.

Reason for the decision including any background papers considered: 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 22 July 2024. The award is for an increase of 2.50 per cent on each pay point with effect from 1 April 2024.

Conflict of interest and dispensation granted by Chief Executive: None

Comments: This decision is taken in accordance with the delegated authority from Civic Affairs Committee to the Head of People as follows:

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

Contact for further information: Lynsey Fulcher, Head of People

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Joint Negotiating Committee for
Chief Officers of Local Authorities

To: **Chief Executives in England and Wales (N Ireland for information)**
(to be shared with Finance Director and HR Director)
Regional Employer Organisations
Members of the Joint Negotiating Committee

22 July 2024

Dear Chief Executive,

CHIEF OFFICERS' PAY AGREEMENT 2024

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

Agreement has now been reached on the pay award applicable from **1 April 2024** (covering the period 1 April 2024 to 31 March 2025).

The individual basic salaries[1] of all officers within scope of the JNC for Chief Officers of local authorities should be increased by **2.50 per cent** with effect from 1 April 2024 (NB: this increase applies to individual salaries as well as pay points, if applicable).

Backpay for employees who have left employment since 1 April 2024

If requested by an ex-employee to do so, we recommend that employers should pay any monies due to that employee from 1 April 2024 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 and the Backdated Pay Award FAQs, which are available on the employer resources section of www.lgpsregs.org.

Yours faithfully,

Naomi Cooke   *George Georgiou*

Naomi Cooke   **George Georgiou**

cc   Ruth Levin, UNISON

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

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