



# Cambridgeshire County Council

## Interim Value for Money Arrangements Report

Year ended 31 March 2023

16 May 2024



Audit and Accounts Committee  
Cambridgeshire County Council

16 May 2024

Dear Audit and Accounts Committee Members

2022/23 Interim Value for Money Arrangements Report

We are pleased to attach our interim commentary on the Value for Money (VFM) arrangements for Cambridgeshire County Council. This commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for the 2022/23 audit year.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. The National Audit Office (NAO) issued a consultation on 8 February 2024 seeking views on changes to the Code of Audit Practice (the Code) to support auditors to meet backstop dates and promote more timely reporting of their work on value for money arrangements. The consultation proposes to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. At this stage, we are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code.

This report is intended solely for the information and use of the Audit and Accounts Committee and Management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Accounts Committee meeting on the 30 May 2024.

Yours faithfully

*MARK HODGSON*

Mark Hodgson

Partner

For and on behalf of Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/auditquality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to Audit and Accounts Committee and management of Cambridgeshire County Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Accounts Committee and management of Cambridgeshire County Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Accounts Committee and management of Cambridgeshire County Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



# 01

# Executive Summary



# Executive Summary

## Purpose

Auditors are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report. In doing so, we comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03).

The purpose of this interim commentary is to explain the work we have undertaken during the period and highlight any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit year 2022/23. The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the Financial Reporting Council (FRC), as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. As part of the NAO consultation issued on 8 February 2024, there is a proposal to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. However, the consultation states that where auditors have begun or already undertaken work that no longer falls under the reduced scope (if agreed once the consultation closes), they may still report on it in accordance with Schedule 4. We are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code to ensure a smooth transition to the 2023/24 audit year when auditors are required to meet the full Code reporting responsibilities.

The report sets out the following areas which have been assessed up to the point of issuing this interim report:

- Any identified risks of significant weakness, having regard to the three specified reporting criteria;
- An explanation of the planned responsive audit procedures to the significant risks identified;
- Findings to date from our planned procedures; and
- Summary of arrangements over the period covered by this report (Appendix A).

We will include our final view of the value for money arrangements as part of the Auditor's Annual Report, alongside the audit report in respect of the 2022/23 financial statements.



# Executive Summary (continued)

## Risks of Significant Weakness

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Council committee reports;
- meetings with the s151 Officer and the Service Director for Finance and Procurement;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Council management and the finance team.

We completed our risk assessment procedures and did not identify any significant weaknesses in the Council's VFM arrangements.

As a result, we have no matters to report by exception at this stage of the audit and we will update our interim reporting as part of issuing the final commentary in the Auditor's Annual Report later in the year.

# Executive Summary (continued)

## Reporting

Our interim commentary for 2022/23 is set out over pages 10 to 12. The interim commentary on these pages summarises our understanding of the arrangements at the Council based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2022/23. We include within the VFM commentary below the associated recommendations we have agreed with the Council.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2021/22 Auditor's Annual Report and have been updated for 2022/23.

In accordance with the NAO's 2020 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this interim report, we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
<b>Financial sustainability:</b> How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
<b>Governance:</b> How the Council ensures that it makes informed decisions and properly manages its risks	We have identified a risk of significant weakness as a result of the Council not publishing the Statement of Accounts in line with the target dates set out in the Accounts and Audit Regulations.	No significant weakness identified
<b>Improving economy, efficiency and effectiveness:</b> How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified



# Executive Summary (continued)

## Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2022 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

## EY Transparency Report 2023

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2023:

[EY UK 2023 Transparency Report | EY UK](#)





02

## Value for Money Commentary

# Value for Money Commentary

**Financial Sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services**

**No significant weakness identified**

The Council is required to have arrangements in place to ensure proper resource management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement, rests with Management. In accordance with the NAO's Code of Audit Practice, the focus of our work should be on the arrangements that the Council is expected to have in place during the year ended 31 March 2023.

The Council's Corporate Leadership Team (CLT) have the responsibility to provide strategic direction. This included formulating the Council's Medium Term Financial Strategy (MTFS) in order to ensure that adequate resources are available to meet the Council's objectives. The MTFS is a five-year financial projection of the Council planned activities and service delivery. The annual budget setting process also informs the MTFS, which is subsequently reviewed and updated annually. The general underlying economic conditions prevalent in the UK have affected all Councils in recent years. From a financial planning perspective for the 2022/23 financial year, the impact of the COVID-19 pandemic, uncertainty in respect of the outbreak of war in Ukraine and other economic impacts of inflation, interest rate increases and cost of living pressures, had a significant impact on financial planning and prioritisation considerations. The Council set an original budget of £455.9 million to deliver services and achieve its corporate priorities for the year. Whilst the Council did slightly overspend against this budget by £0.7 million, this was largely due to further inflationary pressures, and was ultimately covered via the use of reserves. The Council have set a balanced budget for the 2023/24 financial year, predicated on the achievement of savings of £18.7 million.

In the previous year we reported a risk of significant weakness in arrangements to secure financial sustainability, in respect of the Dedicated Schools Grant (DSG). The Council have overspent in respect of DSG by £10.2million in the 2022/23 financial year. In line with the agreement with the Department for Education, the Council have also received additional government funding under the Safety Valve Agreement of £19.6 million. This means the cumulative deficit has reduced to £29.2 million at the end of the 2022/23 financial year.

The Council has also continued its oversight of This Land Limited (TLL), as a wholly owned subsidiary of the Council. By 31 March 2023, the Council had provided working capital loans totalling £113.9 million in TLL's business plan, which has generated interest for the Council. Although TLL reported a loss in the 31 March 2023 financial year, the Council performed a review of TLL's business taking into account cash flow analysis, business plans and the projected completion of development projects to assure itself of the financial sustainability of TLL into the future.

**Conclusion: Based on the work performed, the Council had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services .**

# Value for Money Commentary (continued)

**Governance: How the Council ensures that it makes informed decisions and properly manages its risks**

**No significant weakness identified**

The Council is required to have arrangements in place to ensure proper risk management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the Annual Governance Statement, rests with Management. In accordance with the NAO's Code, the focus of our work should be on the arrangements that the Council is expected to have in place during the year ended 31 March 2023. Our risk assessment identified a risk in respect of governance, based on the late publication of the Statement of Accounts in 2022/23.

We identified that improvements are required in the arrangements for the preparation of Statement of Accounts in 2022/23. The Authority chose not to publish its Statement of Accounts by the date outlined in the Accounts and Audit Regulations 2015 (being the 31 May 2023). The unaudited statements were published on the 21 July 2023. The Council did set out in its statutory notice, published on Council's website, the reasons for not being able to publish the draft Statement of Accounts by the 31 May. The delay was caused by prioritising the closure of the 2021/22 Statements of Accounts audit, that in turn impacted the preparation of the 2022/23 Statement of Accounts. The Council did properly advertise and hold the inspection period for members of the public to inspect the Statement of Accounts in line with Accounts and Audit Regulations 2015. We confirmed that the 2022/23 draft Statement of Accounts were arithmetically correct, agreed to the data in the general ledger, and prepared in accordance with the content required by the CIPFA Code. The Council has also performed bank reconciliations during the 2022/23 financial year. Whilst we raised this as a significant risk of weakness (Page 7), we are satisfied that the Council appropriately set out the reasons for the delay within its Statutory notice, and subsequently published the 2022/23 Statement of Accounts as soon as was practicable.

Different parts of the Council are responsible for particular types of decisions and decisions relating to particular areas of functions as mandated in the Constitution. The Council adopts a decision-making process based on a committee system. Council meetings are open to the public and Councillors decide overall policies and set the budget each year. The Council also works in partnership with other public services in the region, such as the police and NHS, to provide a unified approach to the county's social needs. The Audit & Accounts Committee plays a key role overseeing governance arrangements. It provides assurance to the Council through review and receipt of reports in relation to risk management, internal controls and audit. The Committee exists to provide challenge to officers of the Council and decisions made, ensuring that decisions are therefore will informed and risks are managed. This Committee met regularly during the financial year, considering reports including the annual Internal Audit Report, the Statement of Accounts and other regular financial reporting matters.

Internal Audit concluded their work on the 2022/23 financial year in May 2023, and concluded that an overall 'moderate' assurance opinion was reached. This is a reduction from the 2021/22 conclusion. The prior year recommendation in respect of payroll control accounts was still to be addressed.

**Conclusion: Based on the work performed, the Council had proper arrangements in place in 2022/23 to make informed decisions and properly manage its risks.**

# Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Council is required to have arrangements in place to ensure economy, efficiency and effectiveness, and the responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement, rests with Management. In accordance with the NAO's Code, the focus of our work should be on the arrangements that the Council is expected to have in place during the year ended 31 March 2023.

The Council's Section 151 officer has overall statutory responsibility for the proper administration of the authority's financial affairs, including preparation of the Statement of Accounts and making arrangements for the appropriate systems of financial control.

The Council monitor their finances against budget with financial performance reviews taking place monthly which are reported alongside performance reports by the Corporate Leadership Team (CLT). Quarterly finance monitoring reviews take place which are then reported to Cabinet and the Scrutiny & Overview Committee. The Finance Report provides information on the revenue position each month along with their estimated projection and explanation for any variances. The Council have worked closely with a range of partners through the Covid pandemic, including a number of health Partners. The Council's Chief Executive was the joint Chair of the strategic co-ordination group, which lead on the local public sector Covid response. This also involved all the District Councils within Cambridgeshire who supported with communications, contact tracing and other outbreak management processes, as well as engaging with the vaccination process. Other significant partnerships typically have Senior Officer representation from the Council and are key to delivery of strategic priorities in a cost-effective manner.

The Council received the results of an Ofsted inspection during the 2022/23 year, which was a 'Focused visit to Cambridgeshire Children's Services'. This reflected that whilst there were still some areas for improvement, leaders of the Council recognise the ongoing challenges, which have grown as a result of the pandemic, and are taking actions to strengthen services in this area.

During 2022/23, CLT introduced new Risk & Assurance meetings. These meetings were put in place to ensure that risk registers are subject to Management review and oversight, and to take on board feedback from the relevant Committees and their review processes.

The Council has a dedicated procurement team that manages the commissioning and procurement of contracts throughout the Council. Since our previous reporting of weaknesses in this area in 2020/21, the Council have appointed a qualified Head of Procurement, that leads the procurement team and reports to the s151 Officer. This team was initially put in place during the 2021/22 year and is experienced to ensure that procurement is delivered in accordance with relevant legislation, professional standards and internal policies. Contracts contain service performance measures which will broadly correlate with the KPIs associated with the service provision that is reviewed regularly through the quarterly performance reports, helping to enable poor contractual performance to be identified.

**Conclusion: Based on the work performed, the Council had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.**



# 03 Appendices

# Appendix A - Summary of arrangements

## Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the year 2022/23.

### Reporting criteria considerations    Arrangements in place

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

As part of the Council's budget setting process, each service is required to contribute to the Business Plan. The Business Plan will detail the Council's spending for the year ahead showing the activities to be undertaken, anticipated pressures and savings to be delivered. These identified pressures per service are quantified. This is outlined within the Finance Tables. Medium term plans are highlighted under the Medium Term Financial Strategy. The Council's Corporate Leadership Team (CLT) have the responsibility to provide strategic direction. This will include formulating the Council's Medium Term Financial Strategy (MTFS) in order to ensure that adequate resources are available to meet the Council's objectives. The MTFS is a five year financial projection of the Council. The annual budget setting process also informs the MTFS, which is subsequently reviewed annually.

Each Service prepares finance monitoring reports, giving details on their financial position and performance levels achieved for each month, accompanied by forecast outturn estimates. These reports feed into the corporate Integrated Resources and Performance Report, which is presented to the Corporate Leadership Team (CLT) on a monthly basis, and the Strategy and Resources Committee (S&R) on a bi-monthly basis. The service finance monitoring reports are presented to their respective committees on a bi-monthly basis. This process helps to identify matters of concern that need remedial action. Furthermore, management subsequently factors in areas of concern identified in the MTFS forecast impact. Towards the financial year end, identified pressures during the year (noted from the budget monitoring process) are considered and factored into the MTFS and are continuously monitored.

How the body plans to bridge its funding gaps and identifies achievable savings

When setting up the Business Plan, the Council considers if these plans have clear aims, actions for the future, and if the delivering outcomes will set out how the strategic plan aims will be delivered. The Business Plan is approved by the Full Council. Each Directorate's service plan will include proposals for tackling a budget shortfall as part of the overall Business Plan for the portfolio area.

In terms of monitoring, each Directorate is responsible for making sure they are regularly monitoring revenue and capital budgets; they will investigate any variations and take appropriate action to deal with them. Each Director will report to Full Council as part of the monitoring process, if they cannot balance spending and resources within the approved budget. The Full Council will consider these reports and make appropriate recommendations to deal with the shortfall. Unless the Full Council decides otherwise, any underspending or overspending will be carried forward to the following financial year and the approved budget will be adjusted as a result. Evaluations on the reasons and risks of funding gap would be provided by the Council in the Strategic Plan and Medium Term Financial Strategy. The Council will continuously monitor and review the funding gap via a vis savings realised on a quarterly basis. Mitigating measures may be proposed as necessary and become follow up items in subsequent meetings.

# Appendix A - Summary of arrangements

## Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2022/23.

### Reporting criteria considerations

### Arrangements in place

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

CLT members are responsible for making sure there is an appropriate appraisal and prioritisation process for all new investment schemes, and it must be agreed with the Director of Finance and Resources. In addition, the Council cannot include a scheme in the capital programme unless it has been through the agreed appraisal and prioritisation processes. The project appraisal would show how the project meets one or more of the Council's strategic priorities set out in the Strategic Framework in terms of the economic, social and environmental wellbeing of the people of Cambridgeshire; how the project meets one or more of the priorities identified in the relevant plan for delivering outcomes, or be needed to help meet the Council's legal responsibilities or new legal requirements; how the project has been assessed against the agreed prioritisation process and prove the project can be supported by a clear and achievable funding strategy. Furthermore, money can only be spent from the approved revenue budget and capital programme. The revenue and capital budgets are regularly monitored by the CLT members. In the Council's Strategic Framework and Medium Term Financial Strategy, detailed strategic and statutory priorities are set up for the future and existing priorities would be reviewed and adjusted.

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

All Directors liaise with their sections and come up with budgets which cover all aspects of delivery including workforce, investment and capital. These are then consolidated and deliberated by the CLT ensuring coherence amongst the various sub budgets and the Council's strategy. Both the budget strategy and how the Council manages the revenue and capital budgets are based on the principle that the budgets are a statement of the Strategic Framework in financial terms. Any spending the Council incurs should be identified through the Strategic Framework. The Strategic Framework is the primary document that shapes the Business Plan; the Business Plan is supported by a range of directorate, service and team plans across the Council. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report to the Council on the adequacy of proposed reserves and the robustness of the budget, the Council will then review the earmarked reserves and provisions to ensure they are adequate and consistent with the overall Strategic Framework. The Council will perform a risk assessment on the Business Plan and consider impact in other key areas like social care and looked after children.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

CLT members are responsible for organising how services are delivered to achieve the aims set out in the Strategic Framework (including the budget) within the resources the Council has available. Further approval is needed if there is a change in how they share the resources between services or if a spending proposal involves a new policy or a change to the policy. Additional sensitivity analysis will also be provided to assess the impact of changes under various scenarios (e.g. Council tax, Business Rate growth, Pay award, Non-pay budget) and to set out a guide to the effect of changes to the major cost elements and funding streams. In the Integrated Finance Monitoring Report, the set up of their budgets include 'Forecast Outturn Variance' as applicable with the reasons to explain the changes.

# Appendix A - Summary of arrangements

## Governance

We set out below the arrangements for the governance criteria covering the year 2022/23.

### Reporting criteria considerations

### Arrangements in place

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Council maintains a collated risk register with input from each department. Risks are rated within a corporate risk register tracker which is reviewed regularly by Internal Audit as the main custodian of the overall Risk Register. The Internal Audit annual plan incorporates the highest risk areas and each control area is reviewed annually with reporting including commentary on the level of assurance the council can take from the control review and actions requiring implementation to strengthen controls. Internal Audit undertakes regular follow ups to ensure actions are implemented and overseen by the Audit and Accounts Committee. Furthermore, the register is updated regularly to take into account emerging risks identified by internal controls review assessments, fraud investigations, intelligence identified internally and by external organisations, and changes to Council processes.

The Council also seeks to maintain an anti-fraud, bribery and theft culture. The Council has developed systems and procedures with efficient and effective internal controls that are tested by internal audit as part of the annual audit plan on a rotational basis. Service Managers are responsible for ensuring controls are properly maintained and documented. Regarding updates on new policies or procedures, Internal audit provide advice to ensure the risk of fraud, bribery and theft is minimised. Managers assess their risks on a regular basis and adapt the control systems as appropriate. Internal audit give advice on preventative controls during both routine work and following investigations where control weaknesses were identified.

The Annual Governance Statement and annual internal audit opinion provide an overall process for reviewing and reporting on the Council's risk and control environment across the board.

How the body approaches and carries out its annual budget setting process

A meeting of the Full Council approves the Council's planned use of resources and the budget process taking into account the Council's Strategic Framework. Recommendations consider the arrangements for deciding strategy for spending capital funds, including preparing the capital programme and the process for assessing the prioritisation of individual projects. When preparing the budget, CLT members must keep to the rules, procedures and timetables set in the Constitution (Budget and Policy Framework Procedure Rules). After gathering advice from the Director of Finance and Resources, CLT will put forward recommendations to the Full Council on areas like the net revenue budget, amount spent on each service, the programme for spending capital and capital strategy, assessment of reserves and balances, council tax levels and the precept charge to be made to individual billing authorities.

The report will include comments from the Director of Finance and Resources on how robust the budget is and whether the level of reserves is in line with section 25 of the Local Government Act 2003. In addition, the Director of Finance and Resources is responsible for making sure that a capital budget, capital programme and financing plan is prepared each year for the Full Council to consider.



# Appendix A - Summary of arrangements

## Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2022/23.

### Reporting criteria considerations

### Arrangements in place

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

The Council's Business Plan, with clear aims, actions for the future, and delivering outcomes sets out how the Strategic Framework aims will be delivered. These plans are approved by the Full Council. At service level, CLT members need to produce plans which set out the main actions, a resourcing plan, and budget for that service for the relevant period, which must be agreed by the Director of Finance and Resources. The plans identify investment (or capital) needs as well as the revenue implications associated with delivering the stated aims. Trading and support services are set out as the basis of charges to other services.

The Council has a system in place which sets out the operational responsibilities of its staff. Under the Council's financial regulations, CLT members have the power to spend money from the approved revenue budget and capital programme. CLT members cannot spend money without approval by Council if the spending is not in line with the approved budget. CLT members are responsible for making sure they regularly monitor revenue and capital budgets. They must also investigate any variations and take appropriate action to deal with them. CLT members must report if they cannot balance spending and resources within the approved budget. The Strategy and Resources Committee (S&R) will consider these reports and, where appropriate make recommendations to deal with the shortfall. CLT members will send monitoring and outturn reports to the S&R in line with the set timetables and procedures. Unless the S&R decides otherwise, any underspending or overspending will be carried forward to the following financial year and the approved budget will be adjusted as a result. The Director of Finance and Resources is responsible for producing the Statement of Accounts and for sending it to the Audit and Accounts Committee for approval.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee

Different parts of the Council are responsible for particular types of decisions and decisions relating to particular areas of functions as mandated in the Constitution. The Council adopts a decision-making process based on a committee system. Council meetings are open to the public and Councillors decide overall policies and set the budget each year. The Council also works in partnership with other public services in the region, such as the police and NHS, to provide a unified approach to the county's social needs.

Committees have responsibility for most major decisions. When major decisions are to be discussed or made, these are published in the Council's Forward Plan in so far as they can be anticipated. The Committees have to make decisions which are in line with the Council's overall policies and budget. If they wish to make a decision which outside of the approved budget or Policy Framework, this must be referred to the Full Council as a whole to decide. In addition there are various committees responsible for scrutiny of various aspects namely Planning Committee, Audit and Accounts Committee, Constitution and Ethics Committee, and Other committees dealing mainly with appeals. Their remit is as outlined in the Council's Constitution.

# Appendix A - Summary of arrangements

## Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2022/23.

### Reporting criteria considerations

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

### Arrangements in place

All elected Cambridgeshire County Councillors are required to comply with the Councillors' Code of Conduct, which sets out the framework within which Councillors must conduct themselves and the business of the Council. They must observe various rules of conduct, such as registering any employment, business or financial interests they may have, rules in relation to confidentiality and the protocol around member/officer relations.

The Code of Conduct requires all Councillors and co-opted members to register various interests, such as membership of other organisations, the ownership of land, the receipt of gifts and hospitality, and significant financial interests. Individual declarations of Interests can be found under "Members Interests" for each Councillor, and declarations in respect of gifts and hospitality (where received) are also listed under "Gifts and Hospitality", on the Councillor's page. All guidelines pertaining to the above are enshrined within the Council's Constitution.

# Appendix A - Summary of arrangements

## Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2022/23.

Reporting criteria considerations	Arrangements in place
How financial and performance information has been used to assess performance to identify areas for improvement	The Corporate Integrated Finance Monitoring Report Outturn gives an overview of the Council's progress, performance, and financial position in delivering against the Council's Strategic Plan and Delivery Plan at year end. Data and information is gathered from the quarterly reports and is used to assess the performance and Identify the areas to improve. Specific improvement plan based on the analysis above will be included in the Council's Strategic Framework for the proceeding year.
How the body evaluates the services it provides to assess performance and identify areas for improvement	<p>There are a set of corporate key performance indicators that are reported to CLT and relevant committees that give a broad view of council performance. Below that, services have more detailed sets of KPIs. CLT reviews service performance alongside financial reports to assess value for money.</p> <p>As part of business planning, Chief Officers will review their services to develop proposals for savings/efficiencies, which will require thematic reviews of services to be undertaken. Individual service areas have bespoke arrangements in place for assessing performance.</p>
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve	<p>Significant partnerships will usually have a chief officer as the main Council representative, and senior leaders link in with local networks. Significant relationships are usually governed by a joint board with Council representation that scrutinizes the work of the partnership. This includes partnerships with local NHS bodies and other local authorities.</p> <p>CLT members are responsible for making sure that partnership arrangements are approved, carried out and evaluated in line with the Council's Constitution. The Council has a Strategy and Partnerships Directorate that has four core services. The Policy and Communities service area is tasked with working with the Council's Partners through its Business Intelligence Team. The Business Intelligence Service provides analysis to help the Council's services and partners make decisions based on the best possible evidence. The Emergency Planning Team also works with partners to ensure that the Council has plans in place should an emergency occur and working with colleagues to ensure the Council has robust business continuity arrangements.</p>

# Appendix A - Summary of arrangements

## Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2022/23.

### Reporting criteria considerations

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits

### Arrangements in place

The Council has a dedicated procurement team that manages the commissioning and procurement of contracts throughout the Council. This team is experienced to ensure that procurement is delivered in accordance with relevant legislation, professional standards and internal policies. Contracts contain service performance measures which will broadly correlate with the KPIs associated with the service provision that is reviewed regularly through the quarterly performance reports, helping to enable poor contractual performance to be identified.

## EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

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