AUDIT AND ACCOUNTS COMMITTEE



Tuesday, 24 March 2020

<u>14:00</u>

Democratic and Members' Services Fiona McMillan Monitoring Officer

> Shire Hall Castle Hill Cambridge CB3 0AP

Kreis Viersen Room Shire Hall, Castle Hill, Cambridge, CB3 0AP

AGENDA

Open to Public and Press

1.	Apologies for absence and declarations of interest	
2.	Guidance on declaring interests is available at <u>http://tinyurl.com/ccc-conduct-code</u> Minutes 28th January 2020	
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15. Date of Next Meeting

The Audit and Accounts Committee comprises the following members:

Councillor Mike Shellens (Chairman) Councillor Terence Rogers (Vice-Chairman)

Councillor Sandra Crawford Councillor Peter Hudson Councillor Mac McGuire Councillor David Wells and Councillor John Williams

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Clerk Name: Rob Sanderson

Clerk Telephone: 01223 699181

Clerk Email: rob.sanderson@cambridgeshire.gov.uk

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					AGENDA ITEM: 3
	T AND ACCOUNTS MITTEE		Minutes-Action Log		bridgeshire Ity Council
Introdu	uction:				
			ary Audit and Accounts Committee and upd ns from previous meetings are also included MINUTES 28 TH JANUARY 2020		
ITEM NO.	MINUTE NUMBER / REPORT TITLE / AGENDA PAGE NUMBER	ACTION TO BE TAKEN BY	ACTION (INCLUDING WHERE RELEVANT PAGE NUMBER)	COMMENTS	COMPLETED
1.	MINUTE 239 MINUTES OF THE 28 TH NOVEMBER MEETING	Chris Malyon Chief Finance Officer	Page 17 Minute 235 Internal Audit Progress Report Section 4 – Cost Recovery in Place and Economy – reference to the Chairman not having been billed for Highways works - The Chairman highlighted that having stated this two months ago and been assured by a finance officer that it was only a temporary issue, he still not received an invoice.	This was resolved follow the meeting and the Chairman confirmed rece As a result of the concerns raised, The Chief Finance Officer has agreed with the Head of Internal Audit to include the approach to processing of claims agains works in next year's Audit F work programme.	st

2.	MINUTE 240 MINUTE ACTION LOG A) Registration of land purchased for Highways purposes	Democratic Services Rob Sanderson	On the action for Councillor French to be sent the separate confidential appendix for sites in the Fenland area, As an update at the January Committee meeting Councillor French indicated she had still not received them. In reply the Democratic Services officer stated he had been copied into the e-mail sent to her and would arrange for them to be sent again electronically or provide hard copies in her pigeon hole.	Following a further check an e-mail resending the information was undertaken two days after the meeting (30yh January) and at the same time a hard copy of the information was placed in Councillor French's pigeon hole. The email sent was acknowledged the same day by Councillor French.	ACTION COMPLETED
	B) Safer Recruitment in Schools Update	Rob Sanderson pass on request to Chris Meddle.	The Chairman drew attention to a recent incident that had made the national headlines regarding a pupil at a school who had died as a result of suffering an extreme allergic reaction to having cheese thrown at him. He asked that Chris Meddle the Council's Senior Leadership Advisor be contacted regarding ensuring the appropriate checks on EPI allergy pens being available in Cambridgeshire schools were being undertaken.	An e-mail was sent to Chris Meddle the following day. As there was some confusion of whether this had happened at a school in the County it was followed up by a phone call from the Chairman to Chris. He explained that he did not think it was a school in Cambridgeshire, but was seeking to ensure that the schools inspection check list included checking that EPI allergy pens were available in Cambridgeshire schools should such an incident take place. This was confirmed.	

C) Page 27 Minute 233 Performance Report – a) report format	Councillor Shellens / Tom Barden Head of Business Intelligence	The Chairman undertook to meet with the report author and suggest changes following the meeting.	At the January Committee the Chairman indicated orally meeting that he not yet had the meeting and would arrange a meeting with the Head of Business Intelligence following the meeting. The meeting took place on 3rd March.	ACTION COMPLETED
D) Page 28 - Minute 233 Performance Report b) Indicator reading the number of children in care	Tom Barden	Councillor Crawford to provide details to the Head of Business Intelligence of a study suggesting a link to closures of children's and family centres	A full response was sent to Councillor Crawford on 12 th March which is included at appendix 1 In addition on the same day the Committee also received details of the response in an email with other actions responded to from the Head of Business Intelligence.	ACTION COMPLETED

	E) Page 30 – Item 6 Minute 235 - Internal Audit Progress Report	Neil Hunter Head of Internal Audit	There was a the query from the Chairman on whether the advice regarding the risk of bank mandate fraud had been passed on to both maintained and academy schools in the County The response provided in the January Minute action log from Internal Audit was that the request had been passed on to the Schools Intervention Service. As this response did not answer the original question raised, the Chairman asked the Head of Internal Audit to provide further information regarding the officer who had been contacted so he could make his own enquiries	A Schools newsletter which goes to all Maintained and academy schools was sent out in early March which included an article titled 'Fraud Guidance to Academy School – Audit Committee request'. The text is included as Appendix 2 to this action log.	ACTION COMPLETED
3.	MINUTE 243. BREXIT PREPARATION UPDATE - Hard to Reach Groups	Stewart Thomas Head of Emergency Planning.	Regarding communications on the Settlement Scheme, the emphasis was now on targeting hard to reach groups. The Chairman asked to be provided with an estimate of the number of people this might represent.	This action is still ongoing at the time of publication as this is a difficult statistic to estimate	ACTION ONGOING
4.	MINUTE 244. PERFORMANCE REPORT QUARTER 2				

	a) Page 51 Indicator 20 2C(2) titled 'Average Monthly number of bed day delays (social care attributable) PER 10,000 18+population'	Tom Barden Head of Business Intelligence	The Chairman drew attention to the spike from August and the reasons provided in the narrative. He requested further details of why the performance had significantly decreased in the 2019 spring period. The officer to check the information and the Council's performance with statistical neighbours during this period.	This was provided in an e- mail to the Committee from Democratic Services on 12 th March extracts of which are included as appendix 3	ACTION COMPLETED
	b) Page 65 Indicator 34 titled 'The average journey time per mile during the morning peak on the most congested route'	Tom Barden Head of Business Intelligence	A member queried the usefulness of an indicator that was two years old referencing a target for 2017-18 to reduce it to 4 minutes per mile. There was a request that the Committee should be provided with an update on this indicator outside of the meeting.	This performance indicator has been updated and a revised version was submitted to the 5 th March Economy and Environment Committee. The revised indicator was provided to the Committee in the email referred to in a) above	ACTION COMPLETED
5.	MINUTE 245. STATEMENT OF ACCOUNTS – ACTION / IMPROVEMENT PLAN		As the 31 st July was not a statutory external audit deadline for producing their ISA 260 Report EY would need to agree a timeframe with Finance Officers for a meeting for sign off of the Accounts but. Finance Officers would liaise with Democratic Services regarding whether there required to be date changes to meetings e.g. currently the agreed July 2020 meeting date was for the final Accounts sign off but the suggestion now was that a meeting would be required in October.	Friday the 30 th October has provisionally been booked for an additional Audit and Accounts Committee. This date is suggested to be confirmed with a start time of 10.30 a.m. Both Finance and External Audit are able to attend.	Decision required at the meeting

6.	INTER PROG	TE 246. RNAL AUDIT BRESS REPORT Internal Audit Plan Table	Neil Hunter Head of Internal Audit	The Chairman requested for future reports the status column indicating if an Audit was not opened, open or closed should not use different colour shading as they did not reproduce well in black and white printed versions of the agenda.	The shading has been removed. See the report on the latest agenda.	ACTION COMPLETED
	b)	Summaries of Completed Audits with satisfactory or less assurance –				
	i)	Fire Safety Checks – assurance that assessments had been completed in all building	Neil Hunter Head of Internal Audit to Iiaise with Phil Hill	Request that an updated position be given in the next Internal Audit report for the March meeting in terms of Fire Risk Assessments (FRA's) coverage in all Council buildings as if the recommendations target date had been implemented, this should have occurred in December.	March update: the Interim Head of Property has confirmed a full list of properties is now in place. The Compliance Manager has reviewed this and ascertained which properties require FRAs to be undertaken, with the exception of 20 where additional information is required from Estates to make a determination.	ACTION COMPLETED

ii)	Fire Safety Checks – justification of why a fire frisk property was being used for storage	Neil Hunter Head of Internal Audit	Last paragraph, making reference to Internal Audit identifying that "a property which had been authorised for closure and deemed only suitable for storage was still being used extensively by employees for meetings" the Chairman requested a reply of why it was deemed suitable for storage if it was a fire risk?	March update: Stanton Villas was deemed unsuitable for normal business occupation because of minor issues in relation to fire safety. However, the risk assessment changes depending on the how the building is being used. The Fire Risk Advisor assessed it as suitable for storage only and not general occupancy.	ACTION COMPLETED
	Rental Income	Neil Hunter Head of Internal Audit / Tom Kelly	It was highlighted that regarding uncollected rental income, LGSS Law were one of those identified as not having paid all the rental owing for their occupation in Scott House. It was agreed that LGSS Law should be invited to the next meeting to explain the reasons.	Due to business sensitivity issues on 8 th March the Chairman and Vice Chairman were sent a confidential update detailing the LGSS Law financial position and the turnaround to profit that had been achieved over the last year. This also confirmed that LGSS Law had now made progress and paid rental owed at Scott House relating to the current year and therefore there was no longer a requirement to attend the current meeting.	ACTION COMPLETED

iv) Business Continuity	Neil Hunter Head of Internal Audit /	With reference to the last sentence of the second paragraph reading: 'The review also identified a lack of senior management oversight of business continuity planning, information not available to all staff on the intranet, and the absence of a formally documented IT Disaster Recovery Plan' the Chairman made clear that he would be expecting an update on progress in the March Internal Audit report with any specific issues highlighted.	March update: Work is progressing to review and prioritise services in relation business continuity criticality with the new ratings to be presented to Joint Management Team (JMT) for senior management engagement, once complete. A change freeze on Camweb has prevented uploading the latest information onto the platform. The Head of IT has confirmed that there is a documented disaster recovery plan in place. This is currently being reviewed and will need to be further developed over the coming months as new technology is introduced to provide more efficient disaster recovery responses and to reflect the data centre move.	ACTION
C) Annex B page 102 Summary of outstanding recommendations under three months				

	Page 102 - Fostering Contract Management 18/19 Double Paying for home-to-school transport	Neil Hunter Head of Internal Audit /	With reference to the last paragraph reading 'There are a number of transport journeys being requested after initial assessment from the ART Team, ART have been unaware particularly where Children are out of the County' which as written was suggesting that the Council was paying carers for home to school transport when the children were out of the County. As this could be potentially fraudulent, Officers were asked to look at whether these cases were reported to the police?	A response was sent to Councillor Williams on 14 th February that clarified the issue had arisen from an audit of this area and at the time the auditor was satisfied that there wasn't evidence of fraud, rather it was poor control. The recommendations made sought to tighten controls and address this issue. As part of Internal Audit's normal processes they will be following up the implementation of the recommendations and highlight any non- implementation to the Committee.	ACTION COMPLETED
7.	MINUTE 247. INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 30 TH NOVEMBER 2019				
	For 7A), B) and C) overleaf, the information set out in the comments responses column was provided in an e-mail to the Committee dated 8 th March 2020.				

A) Page 124 Older people aged 65+ receiving long term services and Adults aged 18+receiving long term services	Ellie Tod / Tom Kelly	As these were showing continued increases, the Vice Chairman asked what contingency for these increase had been built into the budget for next year. He requested that this information was provided to him before the full Council meeting on 11 th February.	The 2020-25 Business Plan includes £21.4m extra spending over the quinquennium (a specified period of five years) to reflect the financial pressures arising from supporting growing numbers of older people (A/R.3.006), of which £3.475m relates to the 2020-21 financial year as we expect clients supported to increase by 2.7% There is a further £2.55m in demographic funding allocated to other client groups/age categories of adult social care	
			in 2020-21. These pressures and allocations continue to be closely monitored, Older People's demand is currently rising faster than planned/expected. In addition, the General Purposes Committee is holding a £2.6m fund in 2020-21 to respond to social care capacity issues.	ACTION COMPLETED

	B) Page 128 3.2.2 People and communities – Central Commissioning adults	Ellie Tod/ Tom Kelly	With regard to the line reading "The Council has needed to support a number of packages at an enhanced rate this year due to the large scale failure of a major provider of homecare in the last quarter of 2018" there was a request for the name of the provider.	The provider involved is Midas.	ACTION COMPLETED
	C) Balance sheet para 6.2 page 139	Tom Kelly	There was a request that the table should also include the previous March figure before the first April figure, as if there was a change, the Committee would not know what it was.	The split provided in this graph of borrowing has only begun this financial year, so a meaningful comparative figure from March 2019 is not available. The similar graph at 6.3 does include three years' worth of trend data which provides the equivalent comparative. Going forward, the table will also plot multiple years on the graph at 6.2, or include at least the March figures in the annual line to address the point raised by the Committee.	ACTION WILL BE UNDER- TAKEN AS EXPLAINED
			MINUTES 28 TH November 2019		
8.	MINUTE 229 SAFER RECRUITMENT IN SCHOOLS UPDATE	Chris Meddle Senior Leadership Advisor to arrange	It was agreed that safeguarding around pre-schools nurseries would be a good area for the Committee to review.	This is included as a separate report on the current agenda.	ACTION ONGOING
9.	MINUTE 233 PERFORMANCE REPORT – QUARTER 1 2019-20				

a) Report format	Councillor Shellens	The Chairman indicated that he would provide some comments (on the report format / information) to the lead officer outside of the meeting.	An oral update was provided at the January meeting that this was at that time still an outstanding action. The Chairman indicated that he would arrange to meet up with Tom Barden to discuss further. As set out in 2c) this action was completed on 3 rd March following a meeting between the Chairman and Tom Barden	ACTION COMPLETED
b) Page 79 Indicator reading 'The number of children in care' with the direction of improvement showing as a down red arrow	Councillor Crawford to pass on the details of the survey to Tom Barden.	A Member expressed concern at this, referencing a study she had seen from foster carers agencies suggesting a link to closures of children's and family centres and asked whether more data could be given on this and whether it was a contributory factor. The officer was happy to look at the research paper to see if lessons could be learnt. The Member to pass the officer details.	An oral update was provided at the 20 th January meeting indicating that the information had been passed to the officer the day before the meeting and therefore required time to assess its detail and provide a response. The response is now included at Appendix 1.	ACTION COMPLETED

10.	MINUTE 235. INTERNAL AUDIT PROGRESS REPORT				
	Section 2 – fraud and corruption update.	Audit and Risk Manager to liaise with the Schools Intervention Service	In answer to a question raised regarding the suspected bank mandate fraud at a school, it was clarified that schools had been given advice regarding the risk in this area. The Chairman suggested that if the advice was only being given to maintained schools it should also be provided to all academy schools in the County.	It was reported to the January Committee meeting that the request had been passed on by Internal Audit to the Schools Intervention Service. The Chairman was not content that the action requested had been completed and requested contact details of the officer in the Schools Intervention Service. A Schools newsletter which goes to all Maintained and academy schools was sent out in early March which included an article titled 'Fraud Guidance to Academy School – Audit Committee request'. The text is included as Appendix 1 to this action log.	ORIGINAL ACTION REQUEST NOW COMPLETED

	MINUTES 24 TH SEPTEMBER 2019				
ITEM NO.	MINUTE NUMBER / REPORT TITLE / AGENDA PAGE NUMBER	ACTION TO BE TAKEN BY	ACTION (INCLUDING WHERE RELEVANT PAGE NUMBER)	COMMENTS	COMPLETED
11.	MINUTE 217. COMMUNITY TRANSPORT ACTION PLAN UPDATE				
	Reclamation of Public Funding	Chief Internal Auditor / Chief Finance Officer	Request for a provisional target date.	As an update to the Chairman on 3 rd March it was indicated that negotiations were still ongoing and therefore no date could currently be given on when the report might be produced.	Ongoing

Dear Cllr Crawford

Thank you for your email on the report you mentioned at Audit and Accounts.

I think the report you referred to was 'Cutting away at our children's futures: How austerity is affecting the health of children, young people and families' by the British Medical Association in 2016, https://www.bma.org.uk/collective-voice/policy-and-research/public-and-population-health/child-health/cutting-away-at-our-childrens-future. I've had a chance to review it.

I was looking for whether there were lessons about ways to analyse the impact on children in care numbers of changes to Sure Start / Children's Centres. Unfortunately, the BMA report does not offer evidence for a causal link between the reductions in funding for children's centres and an increase in children in care.

I looked locally at evidence from our children in care numbers to see if there was anything to learn.

Local evidence suggests that the number of children in care had been increasing for 4 years prior to the change to Child and Family Centres in April 2018. However since August 2019, the number of children in care has been falling (and the annual growth rate has been decreasing since Jan 2017 as shown by the table below).

This suggests there is not a direct causal link observed between changes to Child and Family Centres and the number of children in care, because it had been increasing before changes were made in April 2018, the rate of growth slowed before changes were made, and then the numbers started decreasing approx. 14 months after changes were made. As we acknowledged in the meeting, there are a wide range of factors that could influence changes in numbers of children in care.

	Growth over previous 12 months
Jan-13	-2.29%
Jan-14	4.03%
Jan-15	10.62%
Jan-16	13.54%
Jan-17	10.19%
Jan-18	9.46%
Jan-19	8.68%
Jan-20	-1.58%

I'm happy to discuss further if you wish.

Tom Barden Head of Business Intelligence

Fraud Guidance to Academy School - Audit Committee request

Bank account details

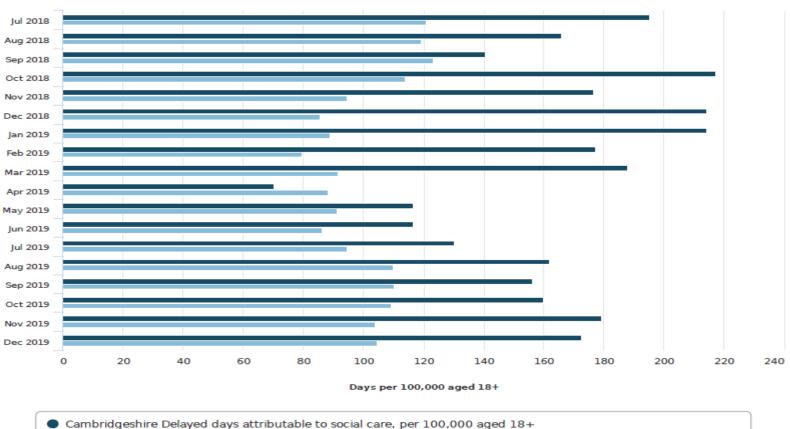
Please be alert to the ever increasing risk of 'bank mandate fraud'. If you receive a letter, email or phone call claiming to be from a supplier, or someone you are due to make a payment to, telling you that they have recently changed their bank account... be sure to <u>always</u> verify this before you change any account details on your records. It could be a fraudster trying to get their hands on future payments. Get in touch with a known contact at the company (use contact details you already held or those on the genuine website) and ask them to confirm whether the request is legitimate.

The requests can look very convincing and often come from email addresses that look similar to those of the actual company. The fraudsters know how busy you are and are very happy to take advantage of that, hoping you might not do the necessary checks.

If you are due to be making a large one-off payment via BACS, again, always verify any details that have been provided via email – as unfortunately emails can be easily intercepted by fraudsters. It's best to take a moment to pick up the phone and confirm the details, for peace of mind, before releasing any money.

We have witnessed councils around the country losing millions of pounds to these fraudsters. Schools are now their latest targets-don't be the next victim!

If you'd like any advice or further information, please don't hesitate to contact Rachel Ashley-Caunt, Head of Internal Audit & Counter Fraud on Rachel.ashleycaunt@cambridgeshire.gov.uk Performance in Spring 2019 improved (there were fewer days lost to delayed transfers of care per 100,000) as shown by the sudden drop on the chart in the performance report. This change is also visible in the difference in CCC performance comparing March 2019 to April 2019 shown in the chart below (the source for the chart is LG Inform).



Mean for Cambridgeshire CIPFA nearest neighbours Delayed days attributable to social care, per 100,000 aged 18+

Delayed days per 100,000 population aged 18+ attributable to social care (from Jul 2018 to Dec 2019) for Cambridgeshire

Source: NHS England

CONSULTS AND AGENCY REVIEW QUARTER 3

To:Audit and Accounts CommitteeDate:24th March 2020From:Martin CoxElectoral Division(s):AllPurpose:This paper provides information on the spending on consultants and agency workers in Quarter 3 (October to December 2019).Recommendation:The Committee are asked to note the information provided.

	Officer contact:
Name:	Martin Cox
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1.0 Introduction

Following an update to the consultants policy in 2019 officers have committed to providing information on the use of consultants on a quarterly basis. This report outlines information on the use of consultants in quarter 3, from October to December 2019.

2.0 Reporting on Consultants

OPUS LGSS have provided information on consultants that have been engaged through them. LGSS finance have provided details of consultants paid via invoice and coded to the consultancy code (D4100). Human Resources (HR) has followed up with services to provide further details for each consultancy placement.

3.0 Quarter 3 (October to December 2019) Consultant Summary

- 3.1 The information available indicates that there were 18 consultants engaged in quarter 3. This is not in itself a significant number considering the size of the Council, its diverse nature of services and the shared working agendas that exist. This compares to 12 consultants identified in Q2.
- 3.2 Details of each of these consultant placements and the expected end dates are provided in the tables below.

Area	Output engaged to deliver	End Date	Spend in Q3
LGSS IT	Network Firewall Consultant	June 2020	£15,082
Major Infrastructure Delivery / Infrastructure & Growth	Engaged to deliver the Joint Professional Services procurement for the County Council (CCC), Peterborough City Council, (PCC) Greater Cambridge Partnership (GCP) and the Combined Authority. The GCP and Combined Authority are funding this procurement. Associated costs fully covered externally through recharge.	March 2020	£11,992

Consultants engaged via OPUS LGSS

LGSS IT	Lead Developer Work on project delivery where there is a skills shortage, Artificial Intelligence work and develop own internal understanding of this work. Skills transfer underway in team. Cost neutral as Milton Keynes Council (MKC) grant funded.	October 2019	£3,300
Infrastructure and Growth	Project Manager. Engage to work closely with Highways England in relation to the A14.	December 2019	£25,054
Commissioning	Resource identified to bring specialist skills for CCC and PCC savings reviews. Focussing on improving outcomes and value for money for services provided for people with exceptionally high, complex needs. A process is underway to transfer the necessary skills to CCC employees.	March 2020	£39,867
LGSS IT	Technical Project Manager IT Consultancy - Mosaic work	March 2020	£33,000
Environment & Commercial	Development Management Officer (Planning)	Feb 2020	£14,957

Consultants identified via finance data

Area	Output engaged	End Date	Spend in Q3
Cambridgeshire & Peterborough Domestic Abuse & Sexual Violence Partnership	to deliver Independent evaluation of all aspects of project work to support Children Affected by Domestic Abuse (CADA).	March 2020	£1,625
Education	Engaged to undertake a large complex investigation for a school involving multiple witnesses (17 days in total).	October 2019	£21,675
Greater Cambridge Partnership	Programme Management for Smart Cities and Intelligent transport	July 2021	£33,880
Greater Cambridge Partnership	Quality Assurance, data analysis, mapping and procurement assurance	July 2021	£20,188
Highways	Provision of expert advice in relation to highway construction, in particular in relation to surfacing materials and the development and monitoring of a materials specific to Cambridgeshire	Ongoing	£5,800
Strategy and Estates	Consultancy in relation to the Shire Hall Relocation (Scoping work for Noble House car park extension, asset Management Support and interior design services)	To be confirmed (TBC)	£19,702

Strategy and Estates Environment and Commercial	Planning consultancy for 3 individual sites. Provision of planning advice and submit planning applications. Specialist support for work in relation to the Waterbeach planning appeal challenge and	October 2019 November 2019	£4,198 £7846
Environment and Commercial	Public Inquiry Specialist support for the Waterbeach planning appeal challenge and Public Inquiry in relation to landscape matters.	November 2019	£28,382
Environment and Commercial	Specialist support for the Waterbeach planning appeal challenge and Public Inquiry in relation to heritage matters.	November 2019	£9,750
Public Health	Engaged to work on a large procurement of sexual health and contraceptive services across both Cambridgeshire and Peterborough Councils with potential joint commissioning with NHS England and the Clinical Commissioning Group (CCG). Consultant has specialist expertise in this field.	March 2020	£15,829

4.0 Accuracy of consultant data

There are a large number of payments coded to D4100 (the budget code for consultancy) that do not relate to the provision of consultancy. For a significant number of payments it has been necessary to contact budget holders to check whether payments do/do not relate to consultants. We are dependent on managers using the account codes correctly. We are currently working with finance to challenge the inappropriate use of this code to ensure that spending that does not relate to consultancy is coded correctly going forward. If consultancy spend has been coded to other finance codes the reporting process followed will not have identified this spending.

5.0 Approval to engage a consultant

An approval to engage a consultant form was introduced in June 2019 to ensure that a business case is considered prior to engaging any consultant. The consultants policy directs managers to follow this process. One new approval to engage a consultant form has been received/approved for engagements in Q3. This has highlighted some instances where managers have not gained the required approval prior to engaging consultants. In February 2020 we reminded Joint Management Team (JMT) of the need for managers to comply with this approval process. We have drafted a briefing note for managers highlighting key points around use of consultants that will be issued.

6.0 Frequency of reporting

Officers have made and continue to make improvements to the process for identifying consultant engagements over the last 3 quarters. Based on the increased compliance and the amount of work involved in producing the consultants data we are proposing that we move to reporting on a 6 monthly basis. This will also allow more time to follow up with engaging managers where there are questions or issues in relation to consultants use.

6.0 Agency worker spending

- 6.1 The Audit and Accounts Committee also asked for information on the agency spend on a quarterly basis. In Q3 £1.95 million was spent on agency workers engaged via OPUS LGSS or with employment agencies outside of the OPUS LGSS contract.
- 6.2 Spending on agency workers should be considered in the context of our overall workforce costs. Agency spending is equivalent to 6% of the pay bill total pay bill for employees this quarter. Agency spending in Q3 has reduced by £1.15 million when compared to Q3 of 2019.
- 6.3 For agency workers engaged via OPUS the highest level of agency worker use is within services providing social care, particularly children's social care. This is in line with the position in other local authorities. The majority of this quarterly spending is on individuals engaged to undertake qualified social care roles covering front line positions. Proactive work is ongoing to fill qualified social worker vacancies on a permanent basis and to decrease the need for agency social workers.

7.0 Recommendations

Audit and Accounts Committee is asked to:

- a) Note the current data on the use of consultants and agency workers.
- b) Note work that is taking place with finance and JMT to improve the accuracy of consultants data and to ensure compliance with the approval process.
- c) Agree to reviewing data on the use of consultants on a 6 monthly basis.

Source Documents	Location
None	

Agenda Item No. 6

SAFER RECRUITMENT IN SCHOOLS UPDATE

To:

Audit and Accounts Committee

Date: 10.3.2020

From:

Electoral Division(s): All

Purpose: Schools Safer Recruitment Update

Key Issues: To update the Committee on the Schools Intervention Service monitoring of the Leadership of Safeguarding including safer recruitment in maintained schools

Recommendation: to note and comment on the report.

	Officer contact:
Name:	Chris Meddle
Post:	Senior Leadership Adviser
Email:	Chris.meddle@cambridgeshire.gov.uk
Tel:	01223 703564

1. BACKGROUND

1.1 Safer recruitment is a statutory safeguarding requirement for schools. Expectations are outlined in Keeping Children Safe in Education 2019. This document was updated by the Department for Education in September 2019. Keeping Children Safe in Education has 4 sections with section 3 giving schools extensive guidance on safer recruitment.

2. MAIN ISSUES

- 2.1 The Committee requires assurances that Cambridgeshire maintained schools are compliant with statutory safer recruitment procedures and the wider leadership of safeguarding.
- 2.2 The Education Directorate carries out regular safeguarding reviews in schools, which include a major focus on safer recruitment.
- 2.3 To facilitate this the Education Directorate Safeguarding and Safer Recruitment Report is presented each term to the Audit and Accounts Committee.

3. SENIOR ADVISER FOR LEADERSHIP SAFEGUARDING REPORT

3.1 Safeguarding Reviews rolling programme

Every single safeguarding review contains a review of the school's single central record and employment files. These are always looked at during OFSTED inspectors and a judgement is given in published inspection reports.

The two Leadership Advisers continue to maintain a programme of Safeguarding Review visits to maintained schools and to academies on a traded basis. As previously reported a rolling programme monitoring list is maintained and schools are prioritised according to the following risks:

- Inspection risk
- New head risk
- Training risk
- Schools causing concern

The list continues to track the previous three years reviews and outlines which schools will be reviewed each academic year.

The Safeguarding Review tool was updated in August 2019 following the update of Keeping Children Safe in Education 2019.

Maintained schools received in September an updated template to enable them to maintain a comprehensive Single Central Register.

We continue to see during Safeguarding Reviews that the Cambridgeshire model SCR (Single central record/register) has been widely adopted across Cambridgeshire schools and in other counties.

The Leadership Review Toolkit which was published last year for maintained schools continues to be available. The toolkit includes a dedicated section on the leadership of safeguarding.

3.2 Academies

Academies and multi-academy trusts who purchase the Leadership Adviser offer can have a free safeguarding review and some other academies in Cambridgeshire and other counties purchase reviews on a pay as you go basis.

We continue to have a contract with the DEMAT Trust who run over thirty schools to support their Leadership of Safeguarding training and to carry out independent safeguarding reviews in their schools. We also continue to work on a traded basis with some schools in other Local Authorities including Peterborough, Suffolk, Norfolk and Essex. The advantage of this is that it allows us to benchmark our work and enables us to improve Cambridgeshire's schools safeguarding practices and procedures. Academies can attend our training including safer recruitment training.

We have also delivered bespoke safeguarding training to staff to three trusts, governor allegation training and allegation training to senior leaders in an academy.

3.3 Training, support and monitoring

Maintained nurseries, primary schools, academies and special schools are independently governed and managed and are free to purchase their training support from a range of providers including the Local Authority. For example, Safer Recruitment training is offered by the LA Governor Services Team, the National Society for the Protection of Cruelty to Children (NSPCC) who provide online training and private providers including accredited trainers and private companies.

The Local Authority (LA) Safeguarding and Child Protection Service provides a wide range of Child Protection related courses to nearly all maintained schools academies and independent schools in Cambridgeshire.

The Leadership of Safeguarding

Leadership of Safeguarding workshops are delivered this year by the two Leadership Advisers.

The areas covered are:

Wider safeguarding culture Safer recruitment Complaints and allegations Monitoring of vulnerable groups Health and safety and contractor control Safeguarding policies and website compliance Critical Incidents

Safer Recruitment Training

It remains a statutory requirement for all appointment panels in schools to have a safer recruitment trained person on the panel

The Governor Services team continues to offer well attended Safer Recruitment Training across the county.

Both refresher and full training is offered. Schools are free to access their training from a range of sources. The training is based on nationally accredited materials.

Chris Meddle currently delivers the Safer Recruitment training as well as leading on the safeguarding reviews for the Schools Intervention Service. Diane Stygal will deliver the training from April and she is a nationally accredited trainer.

We have recently delivered refresher and full safer recruitment sessions to over 20 staff at Soham Village College and further training to 15 staff at a major independent school.

1:1 support on safer recruitment issues continues to be provided on the phone to all schools and sometimes providers of services to schools.

Human Resources (HR) provides providers give schools good support and advice on safer recruitment

The Education Safeguarding team Annual Governor's Safeguarding Monitoring report will be sent to schools again this summer and will once again include specific self-evaluation questions on safer recruitment. The outcomes of this review are reported to the Cambridgeshire and Peterborough Safeguarding Partnership.

Training Statistics

- **95** Cambridgeshire Schools have attended the Leadership of Safeguarding training since April 2019.
- **112** Cambridgeshire schools have attended the Leadership of Safeguarding training or have received a safeguarding review. This figure does not include schools who had safeguarding reviews in the 2019 summer term as the figure is unavailable.
- **132** Cambridgeshire schools have attended training if you add in 20 DEMAT schools. (Their training has also included schools they run in Peterborough and Norfolk).
- By the end of March **108** members of staff or governors will have attended our Safer Recruitment training in this financial year. That represents about 80 state schools. This training lasts for three years so not every school will send someone for training every year.

3.5 Local Authority Designated Officer (LADO)

The Leadership Advisers continue to work with schools and the LADO

when allegations are made against adults who work with children. We are kept informed of allegations and often attend Allegations Meetings.

3.4 Outcomes

None of the maintained schools inspected in Cambridgeshire have had inadequate judgements for safer recruitment in since the start of the academic year.

Intervention

The two Leadership Advisers continue to follow up OFSTED safeguarding complaints that are passed to the Local Authority. These are rarely linked to safer recruitment and staff conduct. This enables us to work in partnership with Cambridgeshire academies and independent schools.

3.5 Conclusion

We continue to see a positive safer recruitment picture across Cambridgeshire schools. The reviews demonstrate that there are usually minor improvements that schools can make.

We intend to continue to carry out Safeguarding Reviews and training.

Source / background Documents: None

SAFER RECRUITMENT IN EARLY YEARS UPDATE

To: Audit and Accounts Committee

Date: 09 March 2020

From: Cambridgeshire Early Years Service

Electoral

Division: All

Purpose: Early Years Safer Recruitment Update

Key Issues: To update the Committee on the Early Years Service monitoring of safeguarding, including safer recruitment.

Recommendation: To note and comment on the report.

Officer contact:		
Name:	Gemma Hope	
Post:	Senior Adviser Intervention and Safeguarding (Early Years Service)	
Email:	Gemma.Hope@cambridgeshire.gov.uk	
Tel:	01223 714760	

1. BACKGROUND

- 1.1 The Statutory Framework for the Early Years Foundation Stage (EYFS) 2017 is mandatory for all early years providers, maintained schools, independent schools, all providers on the Early Years register and all providers registered with an early years childminder agency. Section 3 of the Framework Safeguarding and Welfare Requirements clearly sets out the steps providers must take to keep children safe. Providers must also have regard to Working Together to Safeguard Children 2018.
- 1.2 The Early Years Service is part of the Education Directorate of the Local Authority. The Service supports the quality of teaching and learning, provides training, advice and guidance to early years and childcare providers and schools, delivered by specialist experts. The Service commissions the Professional Association for Childcare and Early Years (PACEY) and works in partnership with them to ensure effective support is provided to childminders.

2. MAIN ISSUES

- 2.1 The Committee requires assurances that Cambridgeshire early years settings are compliant with safer recruitment procedures and the wider leadership of safeguarding.
- 2.2 It was agreed at the last Audit and Accounts Committee that a safer recruitment report would be provided by the Early Years Service.

3. SENIOR ADVISER INTERVENTION AND SAFEGUARDING REPORT

3.1 **Training, support and monitoring**

All early years providers can purchase a membership package from the Local Authority. The package enables providers to access training and support from a range of specialist advisers in the Early Years Service.

The Early Years Service provides a wide range of safeguarding and child protection training which is validated by the Safeguarding Children's Board. Safer recruitment training is offered by the Early Years Service and 231 practioners have attended this face to face training during the last 3 years. Providers can also access National Society for the Prevention of Cruelty to Children (NSPCC) online training or training provided by accredited trainers and private companies.

There is a Business Governance Team who provide advice and guidance and specialist support to employers, including committees and trustees. Support can take the form of telephone, email or face to face and will vary depending on the need of the provider. Roles and Responsibilities training is also available to committee members, trustees and owners, and includes a detailed section on safer recruitment, induction and supervision.

3.2 Safeguarding Evaluation Tool

All early years providers have access to the Safeguarding Evaluation Tool (SET). The document is designed to enable providers to evaluate their safeguarding practice. It is regularly reviewed and updated to reflect changes to local procedures, statutory guidance and legislation. The document should be completed by the setting Child Protection Designated Person/s with input from the management and staff team. The SET is available to all providers and is a compulsory element of the intervention process for settings judged requires improvement or inadequate by Ofsted.

The SET covers the following areas of safeguarding:

- Safeguarding policies and procedures
- Staff safeguarding training
- Induction, supervision and appraisal
- Early intervention and multi-agency working

- Confidentiality and information sharing
- Safe environment and protective ethos
- Allegations management

3.3 The Knowledge Hub

This web based resource is available to all early years providers in Cambridgeshire. There are a wide range of documents stored within the Knowledge Hub, including the recently updated 'Safeguarding Policy and Support Pack'.

3.4 **Jigsaw Magazine**

Jigsaw is a termly magazine produced by the Early Years Service that is available to all early years providers. It includes sections on Business Governance and Safeguarding and features regular articles regarding Safer Recruitment. Providers also contribute to the magazine by providing articles to share best practice.

3.5 Child Protection Information Networks (CPINS) and Leadership and Governance Briefings

These meetings take place termly and include focus topics. Safer recruitment and committee/owner roles and responsibilities was a focus of the summer term CPINS 2019 and has been identified as a topic for the leadership and Governance Briefings in summer 2020. The allegations management process was the CPIN focus topic in the autumn term 2019.

3.6 Allegations Management

The Early Years Service has produced allegations guidance and an allegations flow chart. There is an expectation that all providers will display the allegations flow chart and that staff know how to access it and respond appropriately and in a timely manner in the event of an allegation. Child Protection training includes a section on protective ethos and managing allegations.

Safer recruitment procedures do not always prevent allegations being made against adults who work with children. If concerns reach the allegations threshold, the Local Authority Designated Officer (LADO) will convene an Allegations Management Meeting (AMM). The Senior Adviser Intervention and Safeguarding attends the meetings and has an effective working relationship with the LADO and Ofsted. Support is provided by the Early Years Service to settings who are required to undertake internal investigations as an outcome of an AMM and until the allegations process has concluded.

3.7 Ofsted Outcomes

None of the settings inspected by Ofsted in Cambridgeshire in 2019 or to date

have had requires improvement or inadequate judgements linked to safer recruitment processes. Safer recruitment continues to be a strong focus at inspection.

OFSTED judgements from two recently published reports are copied below.

"Managers and staff implement robust and effective procedures and place a strong emphasis on ensuring children are cared for in a safe environment. This includes and extremely comprehensive recruitment, selection and induction process."

"Staff have a good knowledge of wider safeguarding issues, including the risk to children of being exposed to extreme views and behaviour. Leaders follow robust recruitment processes to help assure the suitability of adults working with children."

3.8 Intervention

The Senior Adviser Intervention and Safeguarding follows up any safeguarding complaints or concerns that come to the attention of the Early Years Service. The response includes working in partnership with Ofsted, the LADO and other key agencies.

Intensive support is provided by the Early Years Service for all providers who do not have an Ofsted judgement of good or better. These providers do not have an automatic right to Nursery Education Funding, Funded 2's grant or Early Years Pupil Premium. Part of the Local Authority's role is to assess each case to determine if funding will remain.

A setting improvement plan (SIP) is created based on the recommendations or actions set by Ofsted. The support takes the form of bespoke training linked to Ofsted actions and recommendations, brokered visits to other providers, and/or coaching and mentoring within the setting. The support can be provided at a whole setting level; can be focussed on particular members of staff. Intervention support remains in place until the setting achieves an Ofsted outcome of good or better. Safeguarding support is a compulsory element for all providers in intervention.

The Early Years Service also implements an Enhanced Support Process (ESP). This process enables an increased level of support to settings who have been judged good or outstanding by Ofsted, but where the Service or other professionals have identified concerns since the last inspection. Where required, the service will escalate concerns to the Regulator (Ofsted).

3.9 Conclusion

We continue to see a positive safer recruitment picture across Cambridgeshire early years settings. Ofsted inspection outcomes would indicate that settings are implementing robust recruitment processes. However, there is no room for complacency and the Early Years Service will continue to provide and further develop Safer Recruitment support, training and guidance.

Source / background Documents: None

GRANTS TO COMMUNITY PROVIDERS

То:	Audit and Accounts Committee
Meeting Date:	24 March 2020
From:	Steve Cox - Executive Director, Place and Economy
Electoral division(s):	All
Forward Plan ref:	Key decision: No
Purpose:	To report on the impact of introducing revised membership criteria for community transport schemes receiving grant funding for Dial-a-Ride services.
Recommendation:	Committee is asked to:
	a) note and comment on the report;

	Officer contact:	Member contact:
Name:	Paul Nelson	Name: Councillor Mike Shellens
Post:	Public Transport Manager	Post: Chair Audit and Accounts Committee
Email:	paul.nelson@cambridgeshire.gov.uk	Email: shellens@waitrose.com
Tel:	07824623259	

1. BACKGROUND

- 1.1 Cambridgeshire County Council (CCC) has provided grant awards to community transport operators, to contribute to the cost of the provision of dial-a-ride services, for a number of years. It should be noted that this is now a function that is the responsibility of the Combined Authority and for this year and next year, the Combined Authority has delegated the delivery of the work to the County Council.
- 1.2 From last year, grants to operators are awarded following a procurement exercise to test the market for the grants. As part of the grant agreement operators agree to only transport members who meet a membership criteria.
- 1.3 The Council's Audit & Accounts Committee asked for a report on the impact of introducing revised membership criteria across all dial-a-ride schemes funded by CCC.

2. MAIN ISSUES

- 2.1 There are currently five grants awarded to operators covering the areas of Fenland (£40,265), Huntingdonshire (£12,095), Cambridge City (£27,280) villages in East Cambridgeshire around Newmarket (£18,071) and villages in East Cambridgeshire around Ely (£50,000). The annual grant amounts are shown in brackets.
- 2.2 The current community transport operators in receipt of the grants are Fenland Association for Community Transport (Fenland), Huntingdonshire Association for Community Transport (Huntingdonshire), Cambridge Dial-a-ride (Cambridge), The Voluntary Network (Newmarket area) and Ely and Soham Association for Community Transport (Ely area).
- 2.3 In January 2019 Economy and Environment Committee approved revised membership criteria for all CCC funded dial-a-ride schemes, and these criteria were introduced from April 2019. The criteria were introduced for all new scheme members and at the time of membership renewal for existing members.
- 2.4 Although there were initially some concerns from operators, the revised membership criteria have been introduced. Spot checks are carried out every three months on randomly selected scheme members for all operators to ensure that only members meeting the criteria have been accepted. To date no breaches have been discovered.
- 2.5 Table 1 shows the number of members for each scheme for March 2019 and March 2020, enabling a comparison between the schemes and years.
- 2.6 Table 1 shows that although there may be other factors involved, such as promotion of the schemes and membership campaigns, the introduction of the revised criteria appears to have had little effect on membership of the schemes. In particular, the figures suggest that there has been no adverse effect on membership.

Table 1. Membership information by community transport scheme.

Community Transport Scheme	Number of scheme members 2019	Number of scheme members 2020
Fenland Association for Community Transport	1,228	1,236
Huntingdonshire Association for Community Transport	473	519
Cambridge Dial-a-ride	358	415
The Voluntary Network	122	122
Ely and Soham Community Transport	155	179

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

Dial a ride services are a vital way of allowing communities where there are limited alternative forms of transport to access services they need and as such, is important for the overall health of the county.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

3.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 **Resource Implications**

There are no significant implications within this category.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

The Transport and Health Joint Strategic Needs Assessment has a section on community transport and the role it plays in enabling residents to access health services in rural areas.

The transport and health JSNA can be found at: <u>http://cambridgeshireinsight.org.uk/wp-content/uploads/2017/08/Transport-and-Health-JSNA-2015-Access-to-Transport.pdf</u>

Implications	Officer Clearance
Have the resource implications been	Yes or No
cleared by Finance?	Name of Officer:
Have the procurement/contractual/	Yes
Council Contract Procedure Rules	Gus De Silva
implications been cleared by the LGSS	
Head of Procurement?	
Has the impact on statutory, legal and	Yes
risk implications been cleared by the	Fiona McMillan
Council's Monitoring Officer or LGSS	
Law?	
Have the equality and diversity	Yes
implications been cleared by your	Elsa Evans
Service Contact?	
Have any engagement and	Yes
communication implications been	Sarah Silk
cleared by Communications?	
Have any localism and Local Member	Yes or No
involvement issues been cleared by your	Name of Officer:
Service Contact?	
Have any Public Health implications	Yes
been cleared by Public Health	lain Green

Source Documents	Location
None	

STATEMENT OF ACCOUNTS – ACTION / IMPROVEMENT PLAN

То:	Audit and Accounts Committee
Date:	24 March 2020
From:	Head of Finance
Electoral Division(s):	All

Purpose:

To provide an update on:

- The conclusion of the 2018/19 Statement of Accounts for the Council
- Planning for the 2019/20 Closure of Accounts and production of the Statement of Accounts.

Recommendation:

The Audit and Accounts Committee is asked to:

A) Note and comment on the contents of the report

B) Agree to schedule an additional committee on 30th October 2020, in order to sign the 2019/20 accounts

	Officer contact:
Name:	Tom Kelly / Eleanor Tod
Post:	Head of Finance / Strategic Finance Manager
Email:	finance@cambridgeshire.gov.uk
Tel:	01223 715333

1. BACKGROUND

- 1.1 This report provides an update on the paper reviewed by Audit & Accounts Committee in January 2020 regarding lessons learnt from the 2018/19 Statement of Accounts process and improvements that can be made for the 2019/20 process in order to ensure a controlled, timely completion of the process and delivery of a set of accounts.
- 1.2 At the time of the last Committee, the 2018/19 Statement of Accounts were close to completion, but had not been signed off. This was creating additional pressures on the 2019/20 process, which has been somewhat delayed whilst the 2018/19 process was concluded.
- 1.3 Further updates on the progress of the 2019/20 accounts will be reported to the Committee at future meetings.

2. UPDATE ON THE 2018/19 STATEMENT OF ACCOUNTS

- 2.1 The 2018/19 Statement of Accounts was signed off on 14th February 2020. Whilst several months late, this was a significant achievement, following months of dedicated hard work by the Closedown team in challenging circumstances. The final accounts can be located on the Council's website here: https://www.cambridgeshire.gov.uk/council/finance-and-budget/statement-of-accounts
- 2.2 As part of that process, the Council's external auditor, Ernst and Young (EY), has also issued an ISA260 addendum update report which can be found in Appendix A. There were some changes between the ISA260 report last reviewed by Committee in October 2019 and the updated report, as follows:
 - In the Executive Summary, EY have updated the 'Status of the audit' section: "We have now completed our audit of Cambridgeshire County Council's financial statements for the year ended 31 March 2019 and have performed the procedures outlined in our Audit Plan."
 - One audit difference previously included as having been adjusted, is now included as an unadjusted difference. This related to the incorrect classification of £1.442m of capital grant income as capital grants received in advance. This audit difference is linked to the unadjusted difference below.
 - One additional unadjusted audit difference has been included in the updated report relating to £4.581m of grant income. The report states "Our testing identified that £4.581 million of Grant Income was not included within Note 31. This amount was originally within the draft financial statements submitted for audit,

but the subsequent revisions to the financial statements removed it. Our testing of the original note disclosure supports it inclusion and the Council has been unable to explain why it was removed." However, the grant income was removed from the accounts after an extensive review by officers resulting in a view that it was not possible to evidence whether or not this grant income should be included without line-by-line investigation and analysis of tens of thousands of accounting entries. This is a highly unusual situation and results from a very large number of entries and corrections being posted following the implementation of ERP Gold and the associated new chart of accounts. Given that a fully balanced set of financial statements was achieved without recognition of the income and officers had concluded an additional review of the balance sheet, the decision was taken that this audit difference should not be adjusted for in the accounts.

- EY confirm in the updated report that the unadjusted audit differences are not material: "The aggregated impact of unadjusted audit differences is £7.284 million. We concur with management's assessment that the impact is not material to the financial statements as a whole."
- The updated report includes an additional section 'Other Audit findings to consider for future years accounting treatment'. EY have recommended that the Council carry out a review of the Minimum Revenue Provision (MRP) calculation in advance of the 2019/20 closedown process to ensure that material errors are not made in future years. EY have highlighted particular areas that they consider may cause errors in future years: funding of Assets Under Construction; MRP charges on share equity; and MRP charges on Investment Properties.

3. PREPARATION FOR 2019/20

- 3.1 As reported previously, up to January 2020 the Closedown team has largely been focused on completing the process for the 2018/19 accounts. However, as we entered the last quarter of the 2019/20 financial year, the focus on closedown for 2019/20 has inevitably increased.
- 3.2 In order to improve the process for 2019/20 to ensure the underlying data is more accurate and therefore enable the process for preparing both the draft and final accounts to be clear and efficient, the Corporate Finance team have compiled an Improvements Schedule, listing all of the areas of work where measures can be put in place to support a more efficient year-end process.

- 3.3 The team has been working through this schedule; of the 40 areas due to have commenced prior to year-end, progress can be summarised as follows:
 - 5 areas have been completed
 - 30 areas are in progress and are at varying levels of completion (some have only recently been started, whilst others are nearly complete)
 - 5 areas are yet to start, but are due to start imminently

Whilst this does not give any indication of the scope of each activity or how close some items are to nearing completion, it helps to provide some idea of the overall quantum. Please see Appendix B for an overview of these tasks.

- 3.4 Alongside this improvement work, the Council has also started the business as usual closedown activity in order to close the accounts (and in some cases, there are inevitably overlaps with the Improvements Schedule activity).
- 3.5 EY have confirmed that there will be no interim audit this year, other than system walk-throughs. Whilst this is welcome in allowing the Council to focus on the preparation of the accounts over the next two+months, it does mean that all of the audit work will need to be completed during the main audit after the draft accounts have been published on 31st May 2020.
- 3.6 EY have confirmed that the Council's audit period will be one long block from 15th June to 7th August 2020. This is also helpful timing, as it will allow us two weeks between completion of the draft accounts and the start of the audit to ensure all working papers and information requested by EY is prepared and available from day 1 of the audit. However, given there is no interim audit it is still going to be a challenge to complete all of the necessary work in that timeframe.
- 3.7 EY have also confirmed that they will not be reporting back to audit committees for any of their clients until at least early to mid-October 2020. Committee is therefore asked to approve an additional meeting on 30th October 2020 in order to sign off the 2019/20 Statement of Accounts.

4. AREAS OF RISK

4.1 Asset Valuations

4.1.1 As previously reported, for 2019/20, the Council has appointed a new firm, Bruton Knowles LLP, to undertake the Council's asset valuations. As a result of this appointment and also the delay in signing the 2018/19 accounts, the process to complete the valuation programme

did not start as early as would be ideal; however site inspections for the full valuations have now all been completed. A significant number of the valuations have also been completed, in particular for the more complex sites, leaving a handful of more straightforward valuations to complete. Officers have started to undertake the quality assurance process on the valuations received to date and are now aiming to have all valuations completed, returned and checked by 31st March. This is two weeks later than originally envisaged, however, the Closedown team are confident this is manageable in context of the overall closedown timetable, as long as the timescales do not slip significantly further. However, this is still a tight deadline, therefore to minimise the risk of further slippage, the Property team have been requested to keep in regular contact with Bruton Knowles over the next 10 days, to push for completion of the work and allow sufficient time for the validation process.

- 4.1.2 The number of valuations requested this year has increased as a result of the Council requesting all Depreciated Replacement Cost valued assets to be valued on a desktop basis (except if already being valued on a full basis as part of the rolling programme of valuations). This has required additional work as part of the valuation and validation process, but should remove the need for a material misstatement adjustment during the preparation of the accounts, and therefore provides an overall benefit to the process of producing the accounts. However, until the valuation process is finalised and the materiality assessment is undertaken, we cannot be certain that an adjustment (and the extra work that entails) will not be required.
- 4.1.3 In addition to a greater number of valuations, the process for undertaking the valuation of school assets is also changing so that these assets are now valued on a Modern Equivalent Asset basis. This is to bring the Council's valuations more closely in line with the guidance issued by The Chartered Institute of Public Finance and Accountancy (CIPFA) and Royal Institute of Chartered Surveyors (RICS). In the long run, this will likely reduce the amount of time required to undertake valuations of school assets, however it is requiring additional work for the 2019-20 accounts as the Council adjusts to the new process. At the moment, this is not foreseen to create additional delays, but there is a possibility that as we complete that additional work, it could take longer than anticipated.

4.2 ISA260 recommendations

4.2.1 As noted in 2.2, one of the areas to investigate is the Council's calculation of MRP. Whilst some elements are straight forward to review and adjust, there are some aspects that could require significant amounts of investigation and there is therefore the potential for this work not to be completed in time for the draft accounts. Whilst the team will endeavour to complete the work in time, if that is not possible then based on the 2018/19 audit, it is anticipated that the impact of any

inaccuracies not adjusted for should not be materially incorrect for 2019/20. It is the cumulative impact over future years that could be material, which will not impact on the sign-off of the 2019/20 accounts.

4.3 Impact of COVID-19

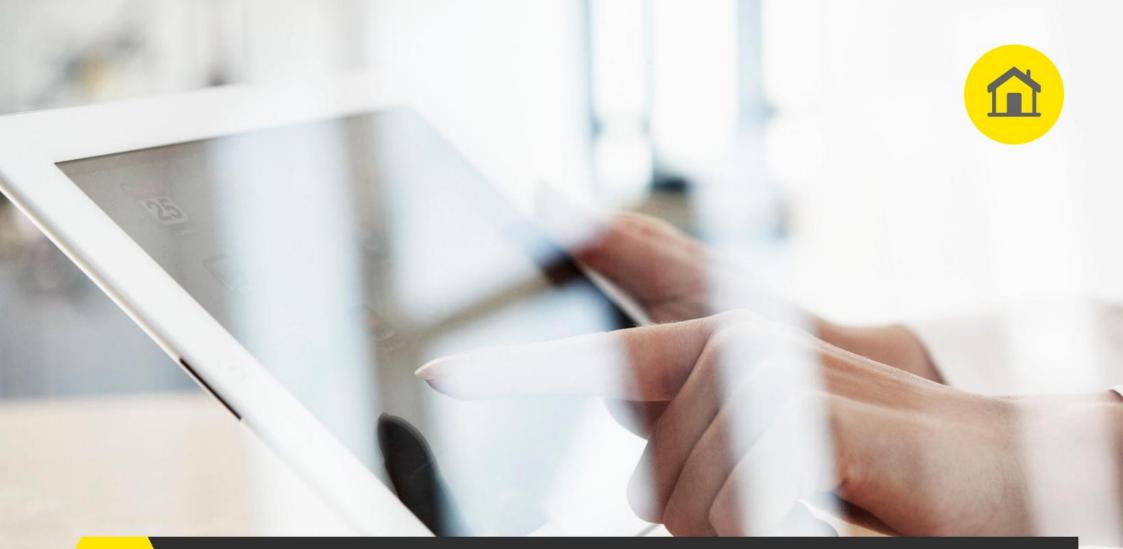
- 4.3.1 The COVID-19 situation is changing all the time; at the time of writing this report, there have been no specific instructions from Government to adjust our working practices. The Council already utilises agile working, however this may be pushed to the limit over the coming weeks if more stringent social distancing policies are implemented by the Government.
- 4.3.2 Whilst the finance team are all able and familiar with remote working practices, some services may not be, particularly if faced with increased pressure on customer-facing services as a result of the virus and the measures taken to contain it. Therefore, this may impact on the speed with which the finance team can gather the information required from services to close the accounts.
- 4.3.3 This may be further impacted by system availability if significant numbers of staff are required to work at home, however IT are working to ensure there is sufficient capacity in the system should this be required.
- 4.3.4 Widespread sickness or caring for dependants could also be an issue given the tight closedown deadlines, however at the moment it is anticipated that the impact of this will be low.
- 4.3.5 Whilst it is not felt that the above will impact on the ability of the Council to produce a robust, accurate draft set of accounts, there is a risk that in exceptional circumstances, it will not be possible to complete them by 31st May 2020.

Source Documents	Location
N/A	

Cambridgeshire County Council Audit Results report -Addendum update

Year ended 31 March 2019 7 February 2020





01 Executive Summary

Page 54 of 186



Executive Summary

Status of the audit

This addendum update Audit Results Report provides a bridge between our report presented to the Audit And Accounts Committee on the 31 October 2019 and the final closing position following the conclusion of our audit.

We have now completed our audit of Cambridgeshire County Council's financial statements for the year ended 31 March 2019 and have performed the procedures outlined in our Audit Plan.

Subject to satisfactory completion of the outstanding matters set out below we expect to issue an unqualified opinion on the Council's financial statements as previously reported.

The work that is outstanding as at the date of this report is in relation to:

- Review of the final version of the financial statements;
- Completion of subsequent events review; and
- Receipt of the signed management representation letter and financial statements

There are no further matters to report following the conclusion of the outstanding work reported to the 31 October 2019 Audit and Accounts Committee.

We will not be able to issue the audit certificate at the same time as the audit opinion, as we will have to complete key elements of the Code of Audit programme - namely:

- the Whole of Government Accounts submission; and
- Value for Money Conclusion.



Executive Summary

Adjusted Audit differences

We have identified seven key audit differences with an aggregated impact above our reporting level of £16.2 million. We have discussed and agreed these adjustments with management who will amend the Draft Financial Statements. Full details of these adjustments can be found in Section 1- Adjusted Audit Differences.

There has been a national issue which has required a late change to the pension fund accounts and IAS19 fund liability disclosures following the publication of the draft financial statements. It relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements, commonly described as the McCloud ruling. However, since the year-end there have been some movement in the understanding and assessment of the likely outcome and in the potential impact of any outcome, which has lead to the need for a re-assessment of the scheme liabilities under IAS19, together with supporting disclosure notes. In addition, there has been the High Court case ruling that all schemes must equalise Guaranteed Minimum Pensions ('GMP') between males and females and this had had an impact on the Pension Fund Liability as well.

The initial work performed by the Authority on this issue has indicated that the impact was material for the Pension Fund disclosures and therefore revised figures for the LGPS were obtained and updated from the Council's actuary.

This has resulted in an increase to the total pension fund liability of £24.980 million, with further associated disclosure added to recognise this as a source of estimation uncertainty and an adjusted Post Balance sheet event.

Unadjusted Audit differences

We identified three unadjusted audit differences as set out in Section 2 - Unadjusted Audit Differences.

Management have chosen not to adjust for these.

We ask that this adjustment be corrected or a rationale as to why they are not corrected be approved by the Audit and Accounts Committee and include in the Letter of Representation. The aggregated impact of unadjusted audit differences is £7.284 million. We concur with management's assessment that the impact is not material to the financial statements as a whole.



01 Adjusted Audit Differences

Mon, October 06, 02:58 Hong Kong



okv0

Canberra



In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as "known" or "judgemental". Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

We highlight the following misstatements greater than £0.81 million which have been corrected by management that were identified during the course of our audit:

1. IAS19 Pension Liability

A ruling was made related to age discrimination arising from public sector pension scheme transition arrangements affecting judges' pensions (McCloud) and firefighter pensions (Sergeant) that had implications for the local government pension scheme.

The LGPS Scheme Advisory Board commissioned GAD to undertake an assessment of the impact of the McCloud judgement on the LGPS. EY Pensions have been able to replicate GAD's findings and outcomes and we have therefore concluded that a reliable estimation methodology is available.

The judgement gives rise to a liability and past service cost under IAS19. There is a constructive obligation to take into account given the McCloud (and Sargeant) rulings are that the transitional protections given during the 2015 pension scheme reforms were unlawful. The circumstances meet the criteria for a provision, taking account of the principles under IAS37. The Council has assessed the impact on their statement of accounts taking into account their view of materiality, by requesting a revised IAS 19 report from their actuary. We have made an assessment of the reasonableness of the calculation based on guidance from EY Pensions.

In addition to the above, the Guaranteed Minimum Pension (GMP) ruling has also had an impact on the pension liability along with a difference between the estimated year end asset valuation of the pension fund and the actual year end valuation.

The revised IAS 19 report received by the Council updated the net assets position based on the final reported position of the Pension Fund, the impact of the Guaranteed Minimum Pension (GMP) ruling and the impact on the McCloud rulings. This has resulted in a number of changes to the statement of accounts, the main impact being an increase in the net pension fund liability of £24.980 million, and a corresponding increase in the Council's Unusable reserves.

- Debit: Balance Sheet Unusable Reserves: Pensions Reserve = £24,980 million
- Credit: Balance Sheet Liability related to Defined Benefit Pension Scheme = £24.980 million

Summary of adjusted differences (continued)

2. Property, Plant and Equipment

Our audit procedures over Property, Plant and Equipment identified a number of audit adjustments:

a. During the financial year 2018/19 the Council undertook a valuation of a number of its property, plant and equipment assets leading to an overall upwards revaluation of these assets. The Council had not correctly posted the split between the Revaluation Reserve and Surplus or Deficit on Revaluation of Property, Plant and Equipment in the Comprehensive Income and Expenditure Statement for this upwards revaluation. This resulted in an understatement of £6.348 million of the Surplus / Deficit on Revaluation of property, Plant and Equipment in the Comprehensive Income and Expenditure Statement in the Comprehensive Income and Expenditure Statement in the Comprehensive Income and Expenditure Statement with the corresponding understatement in the Council's Revaluation Reserve.

- Debit: Balance Sheet Revaluation Reserve = £6.348 million
- Credit: Comprehensive Income & Expenditure Statement Surplus or Deficit on revaluation of PPE = £ 6.348 million

b. The Council's 2018/19 Property, Plant and Equipment valuation was performed as at 30th November 2018 and included the valuation of the old Wyton School Building. This asset was subsequently demolished prior to the Balance Sheet date of the 31 March 2019 when the new Wyton School building became operational in February 2019. Our audit procedures identified that the Council's Draft Financial Statements did not correctly reflect this situation showing two audit differences:

- The Draft Financial Statements did not include the disposal of the old Wyton School building and as such Property, Plant and Equipment was overstated by £1.875 million, with the corresponding adjustment in the Comprehensive Income and Expenditure statement, Loss on Disposal of Property, Plant and Equipment.
- The Draft Financial Statements incorrectly classified the new Wyton School asset with a value of £8.822 million as an Asset under construction rather than an operational asset as at the 31 March 2019.
- Debit: Comprehensive Income & Expenditure Statement Loss on disposal of PPE = £1.875 million
- ► Credit: Balance Sheet Property, Plant and Equipment Land and Buildings = £1.875 million
- ► Debit: Balance Sheet Property, Plant and Equipment Land and Buildings = £8.822 million
- ► Credit: Balance Sheet Property, Plant and Equipment Assets Under Construction = £8.822 million

The value of Property, Plant and Equipment within the Council's Draft Financial Statement was understated by £15.553 million as it did not include indexation adjustment of Land and Buildings assets not valued during the financial year 2018/19.

c. The Council's Draft Financial Statements included an 'Opening Balance Adjustment' of £26.180 million within its Capital Adjustments Account note. This adjustment relates to accounting errors identified by the Council in financial years prior to 2018/19 arising from the implementation of the Council's new accounting system and fixed asset register. The errors identified relate to prior year treatment of revaluation movements and accounting adjustments between the Comprehensive Income and Expenditure Statement and the Revaluation Reserve. (Continued over the page)

Summary of adjusted differences (continued)

Upon review of this adjustment we have agreed with management that this constitutes a material prior period adjustment and requires disclosure as such in the revised accounts, there also being a prior period adjustment required to the comprehensive income and expenditure statement along with the adjustments made to the Council's reserves.

- ▶ Debit: Balance Sheet Property, Plant and Equipment Land and Buildings = £15.554 million
- Credit: Balance Sheet Revaluation Reserve = £13.112 million
- Credit: Comprehensive Income & Expenditure Statement = £2.442 million

3. Revenue Grant Income

The Basic Needs Grant received by the Council during the financial year was understated by £27.531 million within Note 11 originally. There were significant other adjustments to both Note 11 and 31 to get to the re-presented disclosures.

4. Private Finance Initiatives

The Council has three Private Finance Initiative schemes in relation to Waste, Street Lighting and Building Schools for the Future. Upon review of these schemes and the financial models underpinning them, we identified a number of disclosure adjustments and for the Waste scheme the total finance lease liability was overstated by £1.260 million.

- Debit: Balance Sheet Long term Finance Lease Liability = £1.073 million
- Debit: Balance Sheet Short term Finance Lease Liability = £0.187 million
- Debit: Comprehensive Income and Expenditure Statement Financing and Investment expenditure = £1,259 million
- Credit: Balance Sheet Capital Adjustment Account = £1.260 million
- Credit: Comprehensive Income and Expenditure Statement Place and Economy expenditure = £1,021 million
- Credit: Balance Sheet Minimum Revenue Provision = £0.238 million

Summary of adjusted differences (continued)

5. REFCUS (Revenue Expenditure Financed by Capital under Statute)

We identified that REFCUS was erroneously included within the CIES (Surplus or Deficit on revaluation of property, plant and equipment), when it should have been included within the Net Cost of Services section against the relevant service heading.

The adjustment impacted the following:

- Debit: CIES Cost of Services Place & Economy = £1.981 million
- ► Debit: CIES Cost of Services People & Communities = £45.215 million
- ► Debit: CIES Cost of Services Commercial & Investment = £0.087 million
- Credit: CIES Surplus or Deficit on revaluation of property, plant and equipment = £47.283 million

6. Reclassification adjustments

We identified a number of reclassification adjustments within the Draft financial statements: Reclassification of This Land debtor of £2.800 million from Short term Investments to Long term Debtor.

- Debit: Balance Sheet Long Term Debtors = £2.800 million
- Credit: Balance Sheet Short Term Investments = £2.800 million

Reclassification of £40.000 million from Short term borrowing to Long term Investments.

- Debit: Balance Sheet Long term borrowing = £40.000 million
- Credit: Balance Sheet Short term borrowing = £40.000 million

Reclassification of grant income of £34.082 million to Capital grants and Contributions which had been incorrectly netted off within Revenue Expenditure Funded through Capital Under Statute (REFCUS) within the notes to the Financial Statements.

- Debit: REFCUS = £34.082 million
- Credit: Capital Grants and Contributions = £34.082 million

Reclassification of Short Term Cash liability of £20.936 million to Cash and Cash Equivalents.

- Debit: Cash and Cash Equivalents (Liability) = £20.936 million
- Credit: Cash and Cash Equivalents (Asset) = £20.936 million

Summary of adjusted differences (continued)

6. Reclassification adjustments (continued)

Reclassification of Short Term Debtors of £14.762 million to Cash and Cash Equivalents.

- Debit: Cash and Cash Equivalents (Liability) = £14.762 million
- Credit: Cash and Cash Equivalents (Asset) = £14.762 million

Reclassification of Other Operating Expenditure of £10.075 million to Net Cost of Services.

- Debit: CIES Cost of Services People & Communities = £8.857 million
- Debit: CIES Cost of Services Place & Economy = £0.566 million
- Debit: CIES Cost of Services Commercial & Investment = £0.652 million
- ► Credit: CIES Other Operating Expenditure £10.075 million.

Reclassification of Cash and Cash Equivalents of £1.619 million to Long-term Debtors and Short-term Creditors.

- Debit: Balance Sheet Short-term Creditors = £1.619 million
- Credit: Balance Sheet Cash and Cash Equivalents = £1.582 million
- Credit: Balance Sheet Long-term Debtors = £0.037 million

Reclassification of Short Term Debtors of £1.339 million to Short-term Creditors.

- Debit: Balance Sheet Short-term Debtors = £1.339 million
- Credit: Balance Sheet Short-term Creditors = £1.339 million

7. Other Adjustments

We also identified through our initial review of the draft financial statements 110 disclosure adjustments which have been corrected by management in the revised financial statements subject to approval.



02 Unadjusted Audit Differences

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Summary of unadjusted differences

We highlight the following misstatements greater than £0.809 million which have not been corrected by management that were identified during the course of our audit:

1. PFI - Street Lighting

Our review of the Council's Private Finance initiative schemes identified that the Councils Street Lighting PFI's total finance lease liability was over stated by £1.261 million.

- ► Debit: Balance Sheet Long term Finance Lease Liability = £1.178 million
- Debit: Balance Sheet Short term Finance Lease Liability = £0.083 million
- Credit: Balance Sheet Capital Adjustment Account = £1.261 million

There are no amounts that we identified that are individually or in aggregate material to the presentation and disclosures of the consolidated financial statements for the year ended 31 Month 2019.

2. Capital Grant Income

The Draft Financial Statements included £1.442 million of Capital Grant Income classified as Capital Grants Received in Advance within the Council's Balance Sheet which should have been classified as Grant income with in Net Cost of Services in the Comprehensive Income and Expenditure Statement.

- Debit: Balance Sheet Capital Grants Received in Advance = £1.442 million
- ► Credit: Comprehensive Income and Expenditure Statement Net Cost of Services = £ 1.442 million

3. Grants Income

Our testing identified that £4.581 million of Grant Income was not included within Note 31. This amount was originally within the draft financial statements submitted for audit, but the subsequent revisions to the financial statements removed it. Our testing of the original note disclosure supports it inclusion and the Council has been unable to explain why it was removed.



03 Other audit findings

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Other Audit findings to consider for future years accounting treatment

Minimum Revenue Provision Review

We employed out internal specialist to review the treatment and calculation of the Council's Minimum Revenue Provision charged to the 2018/19 statement of accounts.

This review concluded that the amounts charged in the 2018/19 financial statements are materially correct but the review did identify a number of areas detailed below which the Council will need to consider as these may lead to material errors in future years:

- The Council will need to review its 'Assets Under Construction' to determine the amount that has been funded through 'unsupported borrowing' versus that which has been funded through other means;
- Charge Minimum Revenue Provision on share equity such that it is repaid by 20 years since inception;
- The Council will need to review and identify any additional amounts necessary to fully reconcile the Minimum Revenue Provision to the Council's Capital Financing Requirement (CFR);
- The Council will need to calculate the additional amount of Minimum Revenue Provision that is due on Investment Properties and any other new items and charge the relevant Minimum Revenue Provision in 2019/20, applying appropriate adjustments to future Minimum Revenue Provision calculations; and
- Update the Council's Minimum Revenue Provision policy to explain the treatment of Private Finance Initiative Schemes.

Recommendation: We recommend that the Council addresses the above considerations, in advance of the 2019/20 closedown process.

Ref	Category	Lead	Issue	In Progress?	Complete?
ACC1	Accounts	MP	Detailed and summary timetables, properly communicated to all stakeholders, along with appropriate guidance		YES
ACC2	Accounts	MP	Schedule of all required working papers/notes, with responsibility distributed across team	YES	
ACC3	Accounts	MP	Further development of the 'Picasso' (press of a button) system for producing the accounts	YES	
COD1	Coding	MP	Update fixed asset system parameters to correct current transaction miscodings	NO	
COD2	Coding	RB	Clear revenue balances from unmapped/ control account codes, Tier3 30T3990. Must be zero at year-end	YES	
COD3	Coding	MP	Increased visibility of 'adjustments between accounting basis and funding basis' (MiRS) transactions	NO	
COD4	Coding	MP	Review current use of cost centres for balance sheet items and agree revised, consistent approach	YES	
COD5	Coding	RB	Review and correct coding of Earmarked Reserve debit balances	YES	
COD6	Coding	RK	Review, reconciliation and correct coding of Y personal accounts and Z codes	YES	
COD7	Coding	ET	Consider the need for additional account codes for capital expenditure and financing	YES	
COD8	Coding	MP	Agree the use of 'T' account codes (budget/actuals, CIES/MiRS), issue guidance on this and ensure consistent application	NO	
COD9	Coding	RB	Account code 9999 Agresso suspense balances - arrange for Business Systems to clear	YES	
OTH1	Other	СМ	Valuation of heritage assets	YES	
OTH2	Other	MP	Review and correction of all (three) PFI accounting models	NO	
OTH3	Other	MP	MRP reconciliation	YES	
OTH5	Other	MP	Preparation for IFRS16 Leases	YES	
OTH6	Other	RB	Review S106 recognition	YES	
OTH7	Other	MP	Review IFRS9 note	YES	
PRO1	Process	ET	Annual desktop valuations carried out by external valuers for all DRC properties (aims to remove need for year-end indexation exercise)		YES
PRO10	Process	MP	Review the process for transferring control accounts to the balance sheet	YES	
PRO11	Process	RB	Agree the process for transferring year-end directorate final outturns to the General Fund	YES	
PRO12	Process	RK	Improved GRNI accruals process	YES	
PRO13	Process	ET	Additional checks with schools property teams to identify all March additions and disposals	YES	
PRO15	Process	RB	Review Bad Debt Provision calculation for 2019-20	YES	
PRO2	Process	ET/MP	Clarification of instructions for in-year recognition/non-recognition of grants (capital and revenue)	NO	
PRO3	Process	RB	Agree the use of 'G' (internal recharges) and 'K' (internal income) account codes, issue guidance on this and ensure consistent application	YES	
PRO4	Process	RB	Issue guidance on capital recharging and ensure consistent application	YES	
PRO5	Process	RK	In-year review and regular housekeeping of open purchase orders		YES
PRO6	Process	RK	Review of use of imprest accounts (what accounts we have, accounting for closed accounts, petty cash, accounting)	YES	
PRO7	Process	KN	Review of schools accounting processes	YES	
PRO8	Process	RK	Review of accruals process and timescales (both revenue and	123	YES
			capital)		3

Ref	Category	Lead	Issue	In Progress?	Complete?
PRO9	Process	MP	Review consolidation of This Land accounts into CCC's group accounts	YES	
REC4	Reconciliat	MP	Review and match off remaining data migration balances	YES	
REC5	Reconciliat	MP	AP and AR migration balance issues	YES	
REC6	Reconciliat	RK	Reconciliation of grant register for capital and revenue to system	YES	
SYS1	System	ET	Development of business as usual system admin processes, including closing old cost centres		YES
SYS2	System	ET	Add capital project attributes to the system	YES	
SYS3	System	RK	Improvement of transaction descriptions	YES	
SYS4	System	MP	Handover of how FA system works	YES	
SYS5	System	ET	Add capital budgets and PY actuals to system	YES	

Agenda Item No. 10

2019/20 ACCOUNTING POLICIES

To:	Audit and Accounts Committee
Date:	24 March 2020
From:	Head of Finance
Electoral Division(s):	All

Purpose:

To set out changes to accounting policies and to seek formal approval from the Committee of the accounting policies for 2019/20.

Recommendation:

The Audit and Accounts Committee is asked to:

a) Note the report; and

b) Approve the accounting policies for use in producing the 2019/20 Statement of Accounts.

	Officer contact:
Name:	Tom Kelly / Eleanor Tod
Post:	Head of Finance / Strategic Finance Manager
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Tel:	01223 715333

1. BACKGROUND

- 1.1 The annual Statement of Accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (The Code), supported by International Financial Reporting Standards (IFRS).
- 1.2 The Code contains a number of areas where there is a choice in accounting treatment and processes, and decisions must be made and consistently applied in producing the Statement of Accounts. The decisions made are known as 'Accounting Policies', and those that are material to the understanding of the Statement of Accounts must be disclosed.
- 1.3 Accounting policies need to be approved by the Audit and Accounts Committee prior to production of the Statement of Accounts. Whilst it is possible to achieve this by exception (i.e. only reporting changes from the prior year to the Committee for approval), it is best practice to obtain Committee approval of the full set of accounting policies on an annual basis.

2. 2019/20 Accounting Policies

- 2.1 The proposed accounting policies for 2019/20 are contained in Appendix 1 of this report.
- 2.2 The policies remain largely unchanged from those utilised in 2018/19, with the exceptions of:
 - A few minor adjustments to correct spelling and grammar, and a few minor adjustments to wording in order to increase clarity;
 - Property, plant and equipment depreciation: this accounting policy has had the following wording removed: "Depreciation is applied using the following month convention (except for Infrastructure), where depreciation is not charged in the month of acquisition but a full month's depreciation is charged in the month of disposal." The ERP Gold fixed asset register uses the more common current month convention, where a full month's depreciation but a full month of acquisition but a full month of acquisition but a full month convention, where a full month's depreciation is charged in the month of acquisition but a full month of acquisition but a full month of acquisition but a full month convention, where a full month's depreciation is charged in the month of acquisition but a depreciation is not charged in the month of disposal. This is not a material element of the PPE accounting policy; therefore, as part of the move to streamline the accounts, the wording has been removed rather than replaced.

Source Documents	Location
N/A	

GENERAL PRINCIPLES

The Statement of Accounts summarises the Council's transactions for the 2019-20 financial year and its position at the year-end of 31 March 2020. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2019-20*, supported by *International Financial Reporting Standards (IFRS)*. The accounts are prepared on a historical cost basis, i.e. expenditure is included on the basis of the price actually paid rather than any additional allowance being made for changes in the purchasing power of money, modified by the revaluation of certain categories of property, plant and equipment and financial instruments. The accounting policies have been consistently applied where appropriate.

BASIS OF ACCOUNTING

The following accounting concepts have been applied in preparing the accounts:

- Relevance: the information in the accounts is useful in assessing the Council's performance;
- Faithful representation: the information in the accounts is complete, prudently prepared, reflects the substance of transactions and is free of deliberate or systematic bias or material errors;
- Comparability: a consistent approach to accounting policies is used in preparing the accounts to ensure that it may be compared to previous years. Where there is a change in accounting policy that has a material effect on the information, this has been disclosed. Application of the terms of the Code ensure comparability;
- Understandability: the Council endeavours to ensure that an interested reader can understand the accounts;
- Materiality: in using its professional judgment, the Council considers the size and nature of any transaction, or set of transactions. An item is considered material where its omission or misstatement would reasonably change the substance of the information presented in the accounts;
- Going Concern: the accounts have been prepared on the assumption that the functions of the Council will continue in operational existence for the foreseeable future;
- Primacy of Legislative Requirements: the Council operates through the power of statute. Where legislation prescribes the treatment of transactions, then the accounting concepts outlined above may not be applied.

THE DE MINIMIS THRESHOLD

The de minimis threshold level has been set at £4,000 (this threshold has been used as a guideline across the Council, where it is sensible to refer to a de minimis in making accrual adjustments).

ACCRUALS OF INCOME AND EXPENDITURE

Revenue accounts are maintained on an accruals basis. Expenditure is charged to the revenue accounts in the year in which goods and services are received and, similarly, income is credited in the year to which it relates, regardless of the timing of cash payments or receipts. For example, accrued income is recognised where an amount is earned in the current accounting year, but is expected to be received in a subsequent year. Deferred income reflects any income which has been received in advance of it being earned, and is recognised when it can be matched with the year in which it is earned.

Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

PROPERTY, PLANT AND EQUIPMENT

The Property, Plant and Equipment category refers to assets that have physical substance and are expected to be used for more than one year. All expenditure on the acquisition, creation, or enhancement of property, plant and equipment has been capitalised on an accruals basis, subject to the following accounting policies.

Recognition

New acquisitions are brought into the accounts at cost within the appropriate Property, Plant and Equipment balance and are then revalued during the following year. Expenditure on construction of new assets is also brought into the accounts at cost and included either within the Infrastructure category or Assets Under Construction. For capital schemes held within Assets Under Construction, once all the assets which are created or enhanced by a capital scheme become operational, the value is transferred to the appropriate category of Property, Plant and Equipment. Assets costing less than

£10,000, or revalued to less than £10,000 and all non-PFI vehicles and equipment are charged to the Comprehensive Income and Expenditure Statement.

The assets of local authority maintained schools are recognised in the Council's financial statements, subject to the usual accounting requirements for long-term assets. Therefore, if there are any specific arrangements in place whereby the control of the asset does not lie with the Council, then the asset will not be recognised. The Council reviews all schools on an individual basis to determine where the control lies; at present, all community schools are held within the Council's Balance Sheet, whereas all academy schools are not. The Council transfers academy school assets on a 125-year lease, and as such they are subject to lessor finance lease policies (see leases policy, pages xxx-xxx). Long-term assets of foundation schools governed by a separate trust with no local authority control present are not consolidated, along with the long-term assets of most voluntary aided and voluntary controlled schools. This is due to the legislation contained within the School Standards and Framework Act 1998, as amended, that stipulates all non-playing field land shall be transferred by the local authority to the relevant diocese or trust. Only where there are specific lease, or other arrangements in place, does the Council hold the assets of these schools on the Council's Balance Sheet.

Infrastructure Asset Additions and De-recognitions

Capital expenditure incurred on the enhancement of existing infrastructure assets will be added to the value of the asset included within the asset register. The Code stipulates that if a new component of an asset is recognised, then the carrying amount of a replaced or restored part of the asset should be derecognised. Consequently, a de-recognition of the existing asset will occur, writing out the value attributable to the asset that has been enhanced/replaced (including any associated depreciation). As such, the value derecognised will be determined by the cost of the replacement asset.

Measurement

The Council carries out a rolling revaluation programme that ensures that all Property, Plant and Equipment required to be measured at current value is reviewed at least every five years. In order to ensure that values are kept in line with current values, in the interim the Council undertakes a carrying value assessment annually and adjusts for any material variances if required. This analysis involves a) a desktop valuation of assets over a certain value, b) a market review undertaken by the Council's external valuers, and if necessary, c) an indexation analysis that includes an assessment of when a depreciated replacement cost asset was last revalued and application of an index to it based on Building Cost Information Service (BCIS) forecasts and land value estimations for every year since the asset was last revalued. The threshold value used to determine which assets are subject to a desktop valuation is reviewed each year – the aim is to set this threshold at such a level that it reduces any variances in value below a material level in order that a further indexation analysis is not required.

Assets contained within Property, Plant and Equipment required to be measured at fair value are revalued every year. The effective date of revaluation for the rolling programme and all Surplus Assets is 30 November during the year in question, however as part of the carrying value assessment exercise, some assets are revalued again as at 31 March of the year in question and are potentially adjusted for indexation to 31 March.

Infrastructure has been included in the Balance Sheet at depreciated historical cost, whilst Community Assets, and Assets Under Construction have been included at historical cost. The cost therefore includes the original purchase price of the asset and the costs attributable to bringing the asset to a working condition for its intended use.

The value of Infrastructure assets within the accounts includes a lump sum removal in 1998 when Peterborough City Council was formed, becoming independent of Cambridgeshire County Council. This lump sum is not broken down on an asset-by-asset basis in line with how Infrastructure Assets are recorded in the Asset Register. Other additions and enhancements are recorded at cost on a project-by-project basis rather than by asset, therefore additions and enhancements may relate to a number of individual Infrastructure assets.

Land and Building assets and Vehicles, Plant, Furniture and Equipment assets have been included in the Balance Sheet at their current value. Operational Property, Plant and Equipment is valued using Existing Use Value whereas specialised assets are valued using Depreciated Replacement Cost. The valuation of the farms estate, included within the Land and Building figures, is based on a discounted cash flow of future rental income and capital receipts, which is a type of Existing Use Valuation. Assets identified as surplus to requirements are measured at fair value based on highest and best use. Assets that are subject to part disposals are revalued in the year of disposal.

Assets held at current or fair value are split into land and building components, with the building element further subdivided in order to be depreciated over appropriate estimated useful lives. The four building components used are Roof, Structure, Machinery and Equipment, and Externals.

Capitalisation of Borrowing Costs

Borrowing costs that are:

- Directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset;
- When it is probable that they will result in future economic benefits or service potential to the Council; and
- The costs can be measured reliably;

shall be capitalised and form part of the cost of that non-current asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready (over a year) for its intended use or sale.

Where the Council borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Council shall apply a capitalisation rate to the expenditure on that asset. The capitalisation rate shall be the weighted average of the borrowing costs that are outstanding during the period.

The amount of borrowing costs capitalised shall not exceed the amount of borrowing costs incurred during the period.

The commencement of capitalisation begins when all of the following conditions are met:

- Expenditure in respect of the asset is incurred;
- Finance costs in respect of the asset are incurred; and
- Activities that are necessary to develop an asset are in progress.
- Borrowing funding for a project is expected to total over £500k before the asset is operational

Capitalisation ceases when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Capitalisation will be suspended during periods in which active development is interrupted.

Depreciation

Land is held at current value and not depreciated. Property, Plant and Equipment assets other than land, are depreciated over their useful economic lives using the straight-line method. An exception is made regarding depreciation for assets without a determinable finite useful life (i.e. Community Assets) and assets that are not yet available for use (i.e. Assets Under Construction).

Useful economic lives for depreciating Property, Plant and Equipment assets are as follows:

- Buildings (including Surplus Assets) 5 to 60 years, in line with the Council's componentisation policy which specifies different useful economic lives according to the type and condition of the component;
- PFI schemes only: Vehicles, Plant, Furniture and Equipment- 3 to 26 years; (Vehicles, Plant, Furniture and Equipment outside of PFI schemes are not capitalised)
- Infrastructure 40 years.

Upon a review of asset lives, depreciation is calculated over the revised remaining useful life of the asset.

FAIR VALUE MEASUREMENT

The Council measures some of its non-financial assets such as Surplus Assets and Investment Properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or

• In the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 unobservable inputs for the asset or liability.

CAPITAL ACCOUNTING

Two reserve accounts are required in the Council's Balance Sheet for capital accounting adjustments:

- The Revaluation Reserve this contains the balance of the surpluses or deficits arising on the periodic revaluation of property, plant and equipment. The Revaluation Reserve contains only gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account;
- The Capital Adjustment Account this absorbs the timing differences arising from the different arrangements for accounting for the consumption of property, plant and equipment and for financing the acquisition, construction, or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement, via charges for depreciation, impairment losses and amortisations which are initially debited to the Comprehensive Income and Expenditure Statement. These are then transferred in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account. Reconciling postings from the Revaluation Reserve convert the fair value figures to a historical cost basis. The account is also credited with the amounts set aside by the Council to finance the costs of acquisition, construction and enhancement.

The above accounts are not available to fund future expenditure.

CAPITAL RECEIPTS

When an asset is disposed of, the value of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement. Any receipts from disposals, net of costs of disposal, are also credited to the Comprehensive Income and Expenditure Statement. Costs associated with disposal can be funded from the associated capital receipt as long as they are less than 4% of the value of the proceeds. Any disposal costs over this level must therefore be funded by revenue.

The gain, or loss, on the disposal of a long-term asset is the amount by which the disposal proceeds, net of disposals costs, are more (gain) or less (loss) than the balance sheet value of the long-term asset. Any previous revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account on disposal.

Income that is not reserved for the repayment of external loans, and has not been applied in financing capital expenditure, is shown on the Balance Sheet within the Usable Capital Receipts Reserve.

CHARGES TO REVENUE FOR LONG-TERM ASSETS

Revenue accounts are debited with the following amounts to record the real cost of holding long-term assets during the year:

- Depreciation attributable to the assets used by the relevant service (as per the Depreciation policy on page xxx);
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which they can be written off;
- Amortisation of intangible long-term assets attributable to the service.

The Council is not required to raise council tax to cover depreciation, impairment losses, or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (see the Debt Redemption policy on page xxx). Depreciation, revaluation and impairment losses, and amortisations are therefore replaced by the contribution in the General Fund Balance by an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Some expenditure is incurred during the year that may be treated as capital under statutory provisions but does not result in the creation of a long-term asset (e.g. expenditure on academy schools). Instead of capitalising this expenditure, it is charged to the relevant service in the Comprehensive Income and Expenditure Statement. Where the Council has determined to meet the cost of this expenditure from existing capital resources, those resources are also credited to the relevant service in the Comprehensive Income and Expenditure Statement. Where the Council has determined not expenditure Statement. Where the Council has determined to meet the cost of this expenditure from existing capital resources, those resources are also credited to the relevant service in the Comprehensive Income and Expenditure Statement. Where the Council has determined to meet the cost of expenditure by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

HERITAGE ASSETS

Heritage Assets are a distinct class of asset which are reported separately from property, plant and equipment and intangible assets. The Council holds these assets principally for future generations because of their contribution to knowledge, the environment and the culture of the County.

The Code requires authorities to recognise heritage assets where the Council has information on the cost or value of the asset. Where information on cost or value is not available, and the cost of obtaining this information outweighs the benefits to the users of the financial statements, the asset is not recognised on the Council's Balance Sheet but commentary is included in the notes to the financial statements. Where valuations are made, an appropriate method is adopted; this may include, for example, insurance valuations of museum collections.

The Council's different classes of Heritage Assets are treated as follows:

- Archives collections recognised in the Balance Sheet at insurance valuation where available;
- Museum collections recognised in the Balance Sheet at insurance valuation;
- Art works recognised in the Balance Sheet at insurance valuation;
- Archaeological artefacts and ecofacts not recognised on balance sheet due to a lack of reliable valuation information;
- Civic regalia not recognised on balance sheet due to being considered as immaterial and a lack of reliable valuation information.

The Council reviews the carrying amounts of heritage assets carried at valuation on a yearly basis to ensure they remain current. Depreciation is not charged on heritage assets which have indefinite lives, but impairment reviews are carried out where there is physical deterioration or if new doubts as to the authenticity of the Heritage Asset exist.

INVESTMENT PROPERTIES

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

FINANCIAL LIABILITIES

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument (e.g. Public Works Loan Board borrowing). Financial liabilities are initially measured at fair value and subsequently carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus any accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Comprehensive Income and Expenditure Statement in the year of repurchase / settlement. However where repurchase has taken place, as part of a restructuring of the loan portfolio that involves the modification or exchange of existing financial instruments, the premium or discount is respectively deducted from, or added to, the amortised cost of the new or modified loan. The write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain, or loss, over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to, or from, the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

FINANCIAL ASSETS

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument, and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable. The interest credited to the Comprehensive Income and Expenditure Statement for the loans is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the 'Financing and Investment Income and Expenditure' line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

GOVERNMENT GRANTS AND CONTRIBUTIONS

Government grants, and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that the Council will comply with the conditions attached to the payments, and the grants or contributions will be received. There are two types of stipulations; conditions and restrictions:

- Conditions are stipulations that specify that the future economic benefits or service potential embodied in transferred assets are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor;
- Restrictions are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential are required to be returned to the transferor if not deployed as specified.

The key difference between a condition and a restriction is that a condition requires the grant funder or donor to have a right to the return of their monies or the donated asset (or similar equivalent compensation). However, if recovery of the grant/ donation is only possible indirectly by, for instance, legal action for breach of contract or withholding payment of other monies due separately to the Council without a right to have done so, then this will amount to a restriction rather than a condition.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement and reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure it is posted to the Capital and Contributions Unapplied Reserve. Where it has been applied it is posted to the Capital Adjustment Account. Amounts in the Capital Grants and Contributions Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

COUNCIL TAX AND NON-DOMESTIC RATES

In England, billing authorities act as agents on behalf of major preceptors in collecting council tax and non-domestic rates (NDR). This is because the legislative framework for the Collection Fund states that billing authorities and major preceptors share proportionately:

the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted;

- the effect of any bad debts written off;
- the movement in the impairment provision.

The Council, as a major preceptor, is therefore required to include the appropriate share of the Council Tax and NDR receivables in its Balance Sheet as well as an appropriate share of the Collection Fund surplus / deficit for the year within its Comprehensive Income and Expenditure Statement.

LONG-TERM CONTRACTS

Long term contracts are accounted for on the basis of charging the surplus or deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

PRIVATE FINANCE INITIATIVE (PFI) SCHEMES

PFI contracts are agreements to receive services, where the responsibility for making available the long-term assets needed to support the delivery of those services passes to the PFI contractor in return for an annual fee. The Code of Practice requires that PFI contracts are accounted for in a manner consistent with the adoption of *International Financial Reporting Interpretations Committee (IFRIC) 12: Service Concession Arrangements* as contained in the Government's *Financial Reporting Manual (FreM)*, and means that assets and liabilities are recognised on the Council's Balance Sheet where the Council substantially controls the use of the assets involved and any associated residual interest. As the Council is deemed to control the services that are provided under its PFI schemes and, as the ownership of the property, plant, and equipment will pass to the Council at the end of the contract, the Council carries the long-term assets used under the contracts on the Balance Sheet in line with the requirements of *IFRIC 12*.

The original recognition of these assets is at historical cost the year after they are made available for use, and when revalued, at current value in existing use. This is matched by the recognition of an equivalent liability for amounts due to the scheme operator to pay for the capital investment. PFI assets are revalued and depreciated in the same way as any other property, plant, and equipment owned by the Council.

Annual unitary charges that are paid by the Council to PFI operators can be analysed into five elements:

- Current value of the services received during the year debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- Finance cost an interest charge on the outstanding Balance Sheet liability calculated by applying the implicit interest rate in the lease to the opening lease liability for the year. This is debited to the 'Financing and investment income and expenditure' line in the Comprehensive Income and Expenditure Statement;
- Contingent rent increases in the amount to be paid for the property arising during the contract, debited to the 'Financing and investment income and expenditure' line in the Comprehensive Income and Expenditure Statement;

- Payment towards the liability applied to write down the Balance Sheet liability towards the PFI operator;
- Life cycle replacement costs this refers to the replacement of individual components within the PFI asset portfolio to ensure that the condition of the whole property meets the agreed standard throughout the life of the PFI contract. A proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

Prudent provision for PFI schemes is made within the annual unitary charge, based on the part of the unitary payment that goes to write down the matching liability for assets recognised on the Balance Sheet.

Central government support for PFI schemes is in the form of PFI credits. These are a measure of the private sector investment which is supported by central government departments and are a promise that PFI revenue grant can be claimed once the project is operational. The level of PFI credits determines the amount of grant that can be claimed by the Council, which is calculated as an annuity based on the level of PFI credits and the contract length. Further detail on the PFI contracts is given in the PFI note, note xx.

LEASES

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Council as Lessee

Finance leases

Property, plant and equipment assets held under a finance lease are recognised on the Balance Sheet at the commencement of the lease at its fair value at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor and initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability and contingent rents are charged as expenses in the years in which they are incurred. Lease payments are apportioned between a charge for the acquisition of the interest in the property, plant or equipment and a finance charge.

As with other long-term assets, the Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue towards the deemed capital investment in accordance with statutory

requirements (see the Debt Redemption policy on page xxx). Depreciation, revaluation and impairment losses, and amortisations are therefore replaced by the contribution in the General Fund Balance by an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

Council as Lessor

Finance leases

Where the Council grants a finance lease on a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between a charge for the acquisition of the interest in the property (applied to write down the lease debtor (together with any premiums received)), and finance income. However, in the case of academy schools the Council does not recognise a long term debtor on the Balance Sheet. This is because the assets are transferred as 125 year leases which is deemed too long to be certain of any receivable value at the end of the lease period.

Any gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, it is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written off value of disposals is not a charge against council tax as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating leases

Where the Council grants an operating lease over a property, or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial

direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are 'adjusting' and 'non-adjusting' events, both favourable and unfavourable, that occur between the end of the reporting year and the date when the Statement of Accounts is authorised for issue.

An 'adjusting' event is where evidence of the conditions of that event existed at the Balance Sheet date. A 'non-adjusting' event is indicative of conditions that arose after the Balance Sheet date, but prior to the issue of these accounts.

Material events that relate to conditions that did not exist at the Balance Sheet date are disclosed by way of a note to the financial statements.

CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition, and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement cash, and cash equivalents, are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

BENEFITS PAYABLE DURING EMPLOYMENT

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

TERMINATION BENEFITS

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

POST EMPLOYMENT BENEFITS

The majority of employees of the Council are members of two separate pension schemes:

- **The Teachers' Pension Scheme**, administered by Capita Teachers' Pensions on behalf of the Department for Education (DFE);
- **The Local Government Pension Scheme**, administered by Cambridgeshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees of the Council.

The Teachers' Pension Scheme

The arrangements for the Teachers' Pension Scheme mean that liabilities for these benefits cannot be identified to the Council. The scheme is therefore accounted for as if it were a <u>defined contributions scheme</u> – no liability for future payments of benefits is recognised in the Balance Sheet and the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pension Scheme in the year.

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

The Local Government Pension Scheme (LGPS)

The LGPS is accounted for as a defined benefits scheme as follows:

- The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of projected earnings for current employees;
- Liabilities are discounted to their value at current prices using a discount rate;
- The assets of the pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities market value
 - unquoted securities professional estimate
 - unitised securities closing bid price
 - property market value;
- The change in the net pension liability is analysed into service cost and re-measurement components.

Service Cost elements comprise:

- Current service cost: the increase in liabilities as result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- Past service cost: the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years debited to the Cost of Services in the Comprehensive Income and Expenditure Statement;
- Net interest on the net defined benefit liability (i.e. the net interest expense for the Council) the change during the year in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit liability at the beginning of the year, taking into account any changes in the net defined benefit liability during the year as a result of contribution and benefit payments.

Re-measurements comprise:

- Expected return on plan assets: excluding amounts included in the net interest on the net defined benefit liability. These are charged to the Comprehensive Income and Expenditure Statement as Other Comprehensive Income and Expenditure;
- Actuarial gains and losses: changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions debited to other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement;
- Contributions paid to the pension fund: cash paid as employer contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Statutory provisions limit the Council to raising council tax to cover the amounts payable by the Council to the pension fund in the year. This means that there are appropriations to and from the Pensions Reserve in the Movement in Reserves Statement to remove the notional debits and credits for

retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners, and any such amounts payable but unpaid at the year-end.

RESERVES

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts through the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year and recorded against the Cost of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure. The Council's reserves are categorised as follows:

- Usable reserves those reserves that contain resources that a council can apply to the provision of services, either by incurring expenses or undertaking capital investment, whether or not there are particular restrictions on exactly what the resources can be applied to. The Council's usable reserves include the General Fund balance and Earmarked reserves;
- **Unusable reserves** those that a council is not able to utilise to provide services. This category of reserves includes:
 - Reserves that hold unrealised gains and losses (the Revaluation Reserve), where amounts will only become available to provide services (or limit resources in the case of losses) once the gains/ losses are realised as the assets are disposed of.
 - Adjustment accounts which deal with situations where income and expenditure are recognised statutorily against the General Fund balance on a different basis from that expected by accounting standards as adopted by the Code. The accounts will carry either a debit balance (showing that the Council is required by statute to fund its expenditure more slowly than accounting standards would expect) or a credit balance (where the Council has set resources aside under statute earlier than accounting standards require). Examples of this category of reserves are the Capital Adjustment Account, Pensions Reserve and the Accumulated Absences Account.

DEBT REDEMPTION

The Council is required to make a provision for the repayment of debt in accordance with guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

A change in policy was introduced in 2015-16 for the proportion of the provision that relates to the historic debt liability that had accumulated to 31st March 2010. Up until 2014-15 this element of the provision was calculated using Option 1 of the Guidance, the "Regulatory Method", which based the calculation on 4% of the Capital Financing Requirement, amended for Adjustment A, on a reducing balance basis. From 2015-16 this debt liability will be provided for using an annuity calculation methodology, allowable under the DCLG Guidance.

Capital expenditure incurred from 2010-11 onwards will be subject to Minimum Revenue Provision (MRP) in the year after the asset has become operational. MRP will be provided for under Option 3 of the DCLG Guidance and will be based on the estimated useful life of the assets, using the equal annual instalment method.

Estimated life periods will be determined under delegated powers. To the extent that expenditures do not create an asset and are of a type that are subject to estimated life periods that are referred to in the guidance, these estimated life periods will generally be adopted by the Council. In view of the variety of types of capital expenditure incurred by the Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.

The determination as to which schemes shall be deemed to be financed from available resources, and those which will remain as an outstanding debt liability to be financed by borrowing or other means will be assessed under delegated powers.

The policy will be reviewed annually to ensure prudence is achieved from using the options available and the option to delay charges until the year after the asset comes into operation (the MRP holiday) will be used where applicable.

Where it is considered prudent to do so, non-operational assets will be excluded from the MRP calculation and any under or over provisions that are identified for previous years will be taken into consideration in the calculation of the current year's provisions and adjusted accordingly.

CONTINGENT LIABILITIES

Contingent liabilities are possible obligations that arise from past events that may or may not be incurred by the Council depending on the outcome of one or more uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed as a note to the financial statements.

VALUE ADDED TAX (VAT)

The Comprehensive Income and Expenditure Statement excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from it.

INTERESTS IN COMPANIES AND OTHER ENTITIES

The Council is required to produce Group Accounts alongside its own financial statements where it has material interests in subsidiaries, associates and/or joint ventures. The Council has involvement with a number of entities, and where the interests are not material the nature and value of the relationship is disclosed within the single entity accounts. In line with the code requirements on group accounts and consolidation, maintained schools within the county are considered to be entities controlled by the Council. The income, expenditure, assets, liabilities, reserves and cash flows of these schools are recognised within the Council's single entity accounts rather than group accounts.

INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 31ST JANUARY 2020

То:	Audit & Accounts Committee					
Date:	24 March 2020					
From:	Chief Finance Officer					
Electoral division(s):	All					
Forward Plan ref:	N/A Key decision: N/A					
Purpose:	To present financial information to assess progress in delivering the Council's Business Plan.					
Recommendations:	The committee is asked to note the following recommendations made to General Purposes Committee on 24 March:					
	a) Note the additional 2019/20 contributions of £677k expected in relation to the Combined Authority funded Wisbech Town Centre Access Study scheme, as set out in section 6.7;					
	 b) Approve additional prudential borrowing of £808k in 2020/21 for the Outdoors Centres scheme, as set out in section 6.8; 					
	c) Approve additional prudential borrowing of £1m in 2020/21 for the A14 Improvement Scheme contribution, as set out in section 6.9;					
	 Approve the allocation of the Business Rates Relief Reconciliation of Authorities' 2018/19 Tax Loss Payments grant (£188,008) to the corporate grants account within Funding Items, as set out in Appendix 3. 					

	Officer contact:		Member contacts:
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1. PURPOSE

1.1 To present financial and performance information to assess progress in delivering the Council's Business Plan.

2. OVERVIEW

2.1 The following summary provides the Authority's forecast financial position at year-end and its key activity data for care budgets.

Finance and Key Activity

<u>Revenue budget</u>		Capital programme
<u>outturn</u>	This is a £0.335m decrease	<u>outturn</u>
+£0.9m (0.2%)	in the revenue pressure since last month's forecast.	-£57.4m (-16.4%)
variance at end of	This is a £23.793m	variance at end of year
year	decrease in the in-year capital expenditure	
RED	compared to last month's forecast.	GREEN

Number of service users supported by key care budgets

	Jan 20	May 19	Trend since May 19
Nursing	497	489	Stayed the same
Residential	935	873	Increasing
Community	1,566	1,476	Increasing
Adults aged 18+ receiving long ter	<u>′m</u>		
<u>services</u>			
	Jan 20	May 19	Trend since May 19
Nursing	58	45	Increasing
Residential	362	376	Stayed the same
Community	2,641	2,855	Decreasing
Children open to social care			
	Jan 20	Apr 19	Trend since Apr 19
Children in Care	737	783	Decreasing
Child Protection	346	581	Decreasing
Children in need *	1,907	2,207	Decreasing

* Number of open cases in Children's Social Care (minus Children in Care and Child Protection)

- 2.2 The key issues included in the summary analysis are:
 - The overall revenue budget position is showing a forecast year-end pressure of +£0.6m (+0.2%). This is largely within People & Communities (P&C) (£4.2m pressure), Commercial & Investment (C&I) (£1.7m pressure), and LGSS Operational (£0.6m pressure), partially offset by forecast underspends of -£2.9m in Place & Economy, -£1.2m in Corporate Services, -£0.7m in CS Financing, -£0.5m in Funding Items and -£0.4m in Public Health. See section 3 for details.
 - The Capital Programme is forecasting a -£57.4m underspend at year-end after the capital programme variations budget has been utilised in full. See section 6 for details.

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3. **REVENUE BUDGET**

3.1 A more detailed analysis of financial performance is included below:

Key to abbreviations

DoT	– Directio	n of Travel (up arrow me	eans the pos	sition has imp	proved since	last month)		
Original Budget as per Business Plan	Forecast Variance (Dec)	Service	Current Budget for 2019/20	Actual (Jan)	Forecast Variance (Jan)	Forecast Variance (Jan)	Overall Status	DoT
£000	£000		£000	£000	£000	%		
57,504	-2,610	Place & Economy	53,771	39,799	-2,878	-5.4%	Green	1
254,936	4,345	People & Communities	263,422	201,090	4,247	1.6%	Red	1
390	-199	Public Health	390	-6,829	-390	-	Green	1
10,221	-1,100	Corporate Services	12,200	9,748	-1,218	-10.0%	Green	1
14,048	26	LGSS Managed	10,916	8,295	22	0.2%	Green	1
-9,502	1,335	Commercial & Investment	-8,706	-493	1,679	-	Amber	Ļ
28,161	-677	CS Financing	27,558	10,750	-677	-2.5%	Green	\leftrightarrow
355,758	1,120	Service Net Spending	359,551	262,361	785	0.2%	Amber	1
20,357	-504	Funding Items	18,447	9,709	-504	-2.7%	Green	↓
376,115	616	Subtotal Net Spending	377,998	272,070	281	0.1%	Amber	1
		Memorandum items:						
8,161	589	LGSS Operational	6,103	6,787	589	9.7%	Amber	\leftrightarrow
	1,205	Grand Total Net Spending	384,101	278,857	870	0.2%	Red	1
170,024		Schools	170,024					-
554,300		Total Spending 2019/20	554,125					

CS Financing - Corporate Services Financing

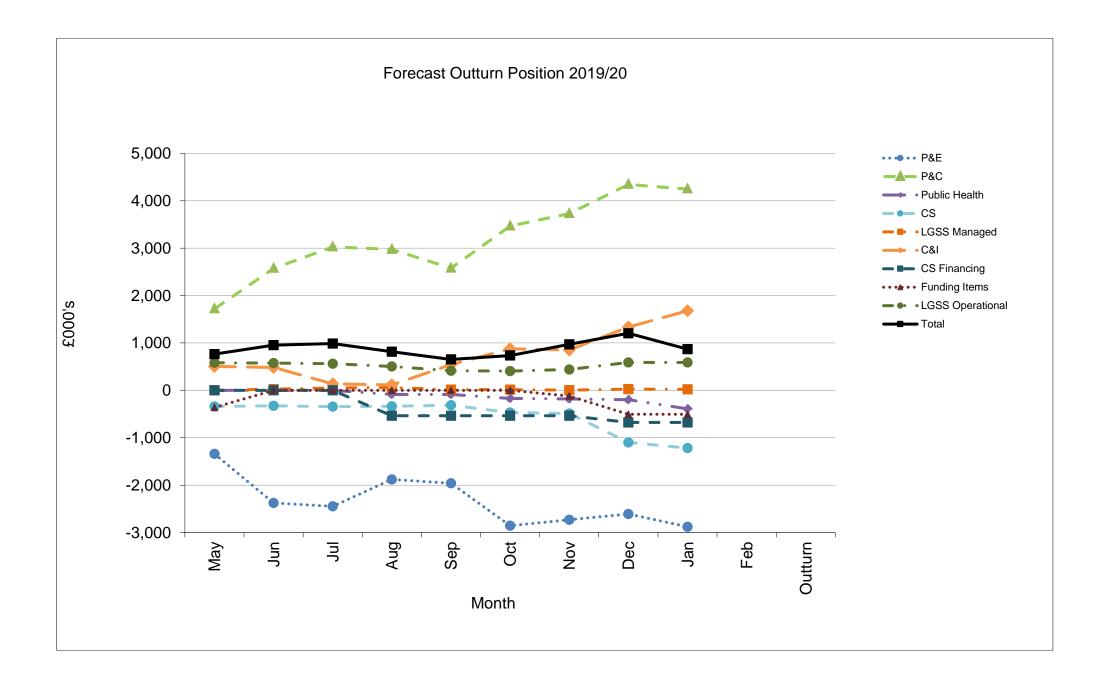
а.

1 The budget figures in this table are net.

2 For budget virements between Services throughout the year, please see Appendix 1.

3 The budget of £390k stated for Public Health is cash limit budget. In addition to this, Public Health has a budget of £24.7m from ring-fenced public health grant, which makes up its gross budget.

4 The 'Funding Items' budget comprises the £8.7m Combined Authority Levy, the £407k Flood Authority Levy and £9.3m change in general and corporate reserves budget requirement. The forecast outturn on this line reflects any variance in the amount received from corporate grants and business rates from what was budgeted; a negative outturn indicates a favourable variance, i.e. more income received than budgeted.



3.2 Key exceptions this month are identified below.

3.2.1 Place & Economy: -£2.878m (-5.4%) underspend is forecast at year-end.

 Local Infrastructure Maintenance and Improvement – a £0.852m pressure is forecast of which £0.707m relates to a change since last month. The principal pressure is £650k for the use of Rhino (patching machinery) for crack sealing circa 100 sites +0.852 (+14%) and £45k for the hire of an additional patcher until the end of March 2020.

%

£m

- Parking Enforcement- a -£0.961m underspend is forecast. This is an increase of -£0.311m on the underspend position previously reported in May, of which -£0.179m relates to a change since last month. Bus lane enforcement is providing additional income in excess of the budget set. This income is difficult to predict and therefore the financial position will be monitored on a regular basis, and the forecast updated accordingly.
- A combination of more minor variances sum with the above to lead to an overall outturn of -£2.878m. For full and previously reported details see the <u>P&E Finance</u> <u>Monitoring Report</u>, (<u>https://tinyurl.com/v5ytkx8</u>).

3.2.2 **People & Communities:** +£4.247m (+1.6%) pressure is forecast at year-end.

% £m • SEND Specialist Services (0-25 years) – a +£10.5m pressure is currently forecast. This is an increase of +£1.5m on the position previously reported in November and relates in full to a change since last month. Initial in-year pressures have been forecast for a number of DSG funded High Needs Block budgets including funding for special schools and units (£4.3m), top-up funding for mainstream schools and Post-16 provision (£3.5m), out of school tuition (£3.2m) and SEN Placements (£0.6m). These are partially offset by a -£1.1m underspend on wider SEND Specialist services. A SEND Project Recovery team has been set-up to oversee and drive the delivery of the SEND recovery plan to address the current pressure on the High Needs Block. As previously reported in 2018/19 we saw a total DSG pressure across SEND services of £8.7m, which, combined with, +10.500(+19%)underspends on other DSG budgets, led to a deficit of £7.2m carried forward into 2019/20. Current estimates forecast an inyear pressure of approximately £10.5m as a result of the continuing rise in Education, Health and Care Plans (EHCPs). This is a ring-fenced grant and, as such, pressures do not currently affect the Council's bottom line but are carried forward as a deficit balance into the next year. **Financing DSG** – a -£10.5m required contribution from DSG is • forecast. This is an increase of -£1.5m on the required contribution previously reported in November, which relates in full -10.500 (-11%)

to a change since last month. This represents the amount that will be drawn down from the DSG reserve in excess of what was budgeted to cover pressures in DSG-funded areas. These pressures are primarily Funding to Special Schools and Units (£4.3m), High Needs Top Up Funding (£3.5m), Out of School Tuition (£3.2m) and SEN Placements (£0.6m), partially offset by SEND Specialist Services (-£1.1m) underspend, as reported above.

- Home to School Transport Special a +£0.950m pressure is forecast. This is an increase of £0.250m on the position previously reported in November, which relates in full to a change since last month. We are continuing to see significant increases in pupils with Education Health Care Plans (EHCPs) and those attending special schools, leading to a corresponding increase in transport costs. Between 1st April 2019 and 1st January 2020 there was an increase in the number of pupils with EHCPs of 448 (10.5%), compared with 347 (9%) over the same period last year. Alongside this, we are seeing an increase in complexity of need resulting in assessments being made that the child/young person requires individual transport, and, in many cases, a passenger assistant to accompany them. A strengthened governance system around requests for costly exceptional transport requests introduced in 2018/19 is resulting in the avoidance of some of the highest cost transport as is the use of personal transport budgets offered in place of costly individual taxis. The P&C Finance Monitoring Report (https://tinyurl.com/wnlkfjs) outlines further actions being taken to mitigate the position.
- +0.950 (+10%)

£m

%

- A combination of more minor variances sum with the above to lead to an overall outturn of +£4.247m. For full and previously reported details see the <u>P&C Finance</u> <u>Monitoring Report</u>, (<u>https://tinyurl.com/wnlkfis</u>).
- 3.2.3 Public Health: -£0.390m (-%) underspend is forecast for year-end.
 - Behaviour Change / Preventing Long Term Conditions an underspend of -£0.283m is forecast, of which -£0.215m relates to a change since last month. The underspend is a combination of costs around the Integrated Lifestyle contract being lower than the budget allocation, and lower than expected activity on NHS health checks budgets were set assuming some growth but activity so far is at a similar level to 2018/19.
 - A combination of more minor variances sum with the above to lead to an overall outturn of -£0.390m. For full and previously reported details see the <u>PH Finance</u> Monitoring Report, (https://tinyurl.com/tf2yspq).
- 3.2.4 **Corporate Services:** -£1.218m (-10.0%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the <u>CS & LGSS Finance Monitoring Report</u>, (<u>https://tinyurl.com/st8qcmy</u>).
- 3.2.5 **LGSS Managed:** +£0.022m (+0.2%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the <u>CS & LGSS Finance Monitoring Report</u>, (<u>https://tinyurl.com/st8qcmy</u>).

- 3.2.6 **CS Financing:** -£0.677m (-2.5%) underspend is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the <u>CS & LGSS Finance Monitoring Report</u>, (<u>https://tinyurl.com/st8qcmy</u>).
- 3.2.7 **Commercial & Investment**: +£1.679m (-%) pressure is forecast for year-end. There are no exceptions to report this month; for full and previously reported details see the <u>C&I</u> <u>Finance Monitoring Report</u>, (<u>https://tinyurl.com/tg46n88</u>).
- 3.2.8 **Funding Items:** -£0.504m (-2.7%) underspend is forecast at year-end. There are no exceptions to report this month.
- 3.2.9 **LGSS Operational:** +£0.589m (+9.7%) pressure is forecast at year-end. There are no exceptions to report this month; for full and previously reported details see the <u>CS & LGSS Finance Monitoring Report</u>, (<u>https://tinyurl.com/st8qcmy</u>).

Note: exceptions relate to Forecast Outturns that are considered to be in excess of +/- £250k.

4. SAVINGS TRACKER

4.1 The "Savings Tracker" report – a tool for summarising delivery of savings. Within the tracker the forecast is shown against the original saving approved as part of the 2019-20 Business Planning process. Currently, the Council is on track to deliver £13.2m of savings against its original plan. Blue rated savings total £1.6m, exceeding the target on those initiatives. Green rated savings total £6.9m. The Savings Tracker as at the end of quarter 3 is included as **Appendix 4** to this report.

It is also important to note the relationship with the reported positon within this report. As pressures arise in-year, further mitigation and/or additional savings will be required to deliver a balanced positon.

4.2 A summary of Business Plan savings by RAG rating is shown below:

	BLUE			GREEN			AMBER			RED			BLACK			
umber of avings	Total Original Savings	Total Variance	Number of Savings	Original	Total Variance	Total Original Savings	Total Variance									
	£000	£000		£000	£000		£000	£000		£000	£000		£000	£000	£000	£000
3	-670	-946	40	-6,939	0	5	-4,700	1,326	3	-2,566	1,269	6	-910	910	-15,785	2,559

5. KEY ACTIVITY DATA

5.1 The latest key activity data for: Children in Care Placements; Special Educational Needs (SEN) Placements; Adults & Safeguarding; Adult Mental Health; Older People (OP); and Older People Mental Health (OPMH) can be found in the latest <u>P&C Finance Monitoring</u> <u>Report</u>, (https://tinyurl.com/wnlkfjs) (section 5).

6. CAPITAL PROGRAMME

		TOTAL SCHEME						
Original 2019/20 Budget as per Business Plan	Forecast Variance - Outturn (Dec)	Service	Revised Budget for 2019/20	Actual- Year to Date (Jan)	Forecast Variance - Outturn (Jan)	Forecast Variance - Outturn (Jan)	Total Scheme Revised Budget (Jan)	Total Scheme Forecast Variance (Jan)
£000	£000		£000	£000	£000	%	£000	£000
43,908	-17,433	P&E	60,914	21,340	-18,185	-29.9%	422,898	-
129,267	-0	P&C	101,627	75,253	-0	0.0%	678,460	-12,685
3,457	-	CS	7,863	4,770	-90	-1.1%	25,077	-
2,827	-354	LGSS Managed	3,239	3,121	-472	-14.6%	5,524	-187
90,443	-15,775	C&I	175,459	120,121	-38,608	-22.0%	374,378	-
-		Outturn adjustment	-	-	-	-	-	-
269,902	-33,562	Total Spending	349,102	224,605	-57,355	-16.4%	1,506,337	-12,872

6.1 A summary of capital financial performance by service is shown below:

Notes:

- 1. The 'Revised Budget' incorporates any changes in the funding available to what was originally budgeted. A breakdown of the use of the capital programme variations budget by service is shown in section 6.2.
- 2. The reported P&E capital figures do not include Greater Cambridge Partnership, which has a budget for 2019/20 of £30.8m and is currently forecasting an in-year underspend of -£5.0m at year-end.
- 3. The 'Total Scheme Forecast Variance' reflects the forecast variance against budget of the total expenditure for all active capital schemes across all financial years.

6.2 A summary of the use of capital programme variations budgets by services is shown below. As forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when re-phasing exceeds this budget.

2019-20										
Service	Capital Programme Variations Budget	Forecast Variance - Outturn (Jan)	Capital Programme Variations Budget Used	Capital Programme Variations Budget Used	Revised Forecast Variance - Outturn (Jan)					
	£000	£000	£000	%	£000					
P&E	-13,505	-31,690	13,505	100.00%	-18,185					
P&C	-13,399	-11,324	11,324	84.52%	-0					
CS	-1,431	-1,521	1,431	100.00%	-90					
LGSS Managed	-585	-1,057	585	100.00%	-472					
C&I	-26,312	-64,920	26,312	100.00%	-38,608					
Outturn adjustment	-	-	2,075	-	-					
Total Spending	-55,232	-110,512	55,232	100.00%	-57,355					

- 6.3. As at the end of January 2020, Place & Economy schemes, C&I schemes, LGSS Managed and Corporate Services schemes have exceeded the capital variations budget allocated to them, forecasting in-year underspends of -£18.2m, -£38.6m, -£0.5m and -£0.1m respectively. At this stage of the financial year it is thought that the position across the whole programme will be an underspend, so no adjustment has been made to the outturn.
- 6.4. A more detailed analysis of <u>current year</u> key exceptions this month by programme for individual schemes of £0.25m or greater are identified below.
- 6.4.1 **Place & Economy:** a -£18.2m (-29.9%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

	Forecast	Forecast	Variance		Breakdown of Variance				
Revised Budget for 2019/20	Spend - Outturn (Jan)	Spend - Outturn Variance (Jan)	Last Month (Dec)	Movement	Underspend/ pressure	Rephasing			
£'000	£'000	£'000	£'000	£'000	£'000	£'000			
£90m Highways Maintenance schemes									
6,316	5,546	-770	+128	-898	0	-770			

An in-year underspend of -£0.8m is forecast on the £90m Highways Maintenance schemes. This is a change of -£898k on last month's position.

There have been underspends within the Operating the Network budget mainly due to drainage schemes not being able to proceed. It was agreed to bring forward four other schemes, totalling £823k approx. to be delivered in 2019/20 to utilise the underspend. The new schemes which were originally scheduled to be delivered under the £90m Highways Maintenance schemes have been moved to Operating the Network budget. The drainage schemes will be delivered in the next financial year.

Wisbech Town Centre Access Study									
1,182	1,528	346	0	346	0	346			

An in-year pressure of -£0.3m is forecast on the Wisbech Town Centre Access Study scheme. This is a change of +£346k on last month's position.

This project was originally shown within the Combined Authority Schemes. However, the work has been separated out onto a unique capital group to facilitate easier tracking. For this year the work will be invoiced and dealt with alongside all the other Combined Authority schemes. Negotiations are ongoing regarding further funding; the £346k pressure is expected to be covered in future months- the position will continue to be monitored and updated accordingly.

• For full and previously reported details see the <u>P&E Finance Monitoring Report</u>, (<u>https://tinyurl.com/v5ytkx8</u>).

6.4.2 **People & Communities:** a balanced budget is forecast at year-end.

	Forecast	Forecast	Variance		Breakdowi	n of Variance				
Revised Budget for 2019/20	Spend - Outturn (Jan)	Spend - Outturn Variance (Jan)	Last Month (Dec)	Movement	Underspend/ pressure	Rephasing				
£'000	£'000	£'000	£'000	£'000	£'000	£'000				
Basic Need - Primary										
34,420	32,820	-1,600	-1,086	-514	-2,058	458				
						his is a change of				
-£0.6m on the pos	sition previo	usly reported	in Novembe	er of which -£0.	5m relates to a cl	nange since last				
month. This is pri	marily due to	o changes or	the scheme	e outlined below	N:					
Chatteris Addition	onal Places									
4,600	2,500	-2,100	-1,700	-400	0	-2,100				
						g permission. This				
scheme has now										
below), following										
age range to ena					er £0.5m rephasin	g adjustment has				
been made on re	ceipt of the o	contractor's r	evised cashi	flow.						
Basic Need - See				· ·						
51,096	42,735	,	-6,786	-1,574	-658	-7,702				
						. This is a change				
of -£1.57m on the						hange since last				
month. This is pri	marily due to	o changes or	the scheme	es as outlined b	below:					
Fenland Second	ary									
5,000	150	-4,850	-4,700	-150	0	-4,850				
None of the applie	cations subr	nitted to the l	Department	for Education (DfE) to establish t	the new				
secondary as free	e school wer	e approved.	Further dela	ays have occur	red as work to de	termine the final				
specification for th	ne scheme a	and the asso	ciated projec	t cost are being	g reconsidered.					
					-					
Cromwell Comm	unity Colle	ge, Chatteri	S							
5,500	3,400	-2,100	-1,600	-500	0	-2,100				
£1.5m rephasing	is anticipate	d in 2019/20	due to issue	es around High	ways and plannin	g permission. This				
scheme has now										
						ble it to provide all-				
						·				

through education, 4-19. A further £0.5m spend adjustment has been made on receipt of the contractor's revised cashflow.

revised cashflow.						
Cambourne Villa	ige College					
5,550	4,100	-1,450	0	-1,450	0	-1,450
Reduction due to	completion (of project on	site and rele	ease of unspen	t contingency and	l risk register
allowances. Also,	phase 3b a	nd 3c pre-co	nstruction we	orks fees includ	ded in contractor of	contract sum will
not be spent now						
						any spend on ICT
will be incurred th					·	5
Northstowe Sec	ondary					
32,000	32,500	500	0	500	0	500
Spend forecast a						500
Spend lorecast a				or cashilow fore		
Specialist Provis	sion					
4,073	5,370	1,297	1,497	-200	0	1,297
An in-year pressu	re of +£1.3n	n is forecast	across Spec	ialist Provision	schemes. This is	a change of
-£0.25m on the p						
						heme as outlined
below:	,		·	Ű		
Highfields Phase	e 2					
3,600	5,000	1,400	1,600	-200	0	1,400
,	,			e of works hial	ner than anticipate	ed for 2019-20 due
						that the project is
likely to complete			- 3 3 -			· · · · · · · · · · · · · · · · · · ·
	,					
Cultural & Comm	nunity Serv	ices				
5,157	3,308	-1,849	-1,426	-423	0	-1,849
An in-year unders	spend of -£1	8m is foreca	st across Cu	ultural & Comm	unity Services sc	hemes. This is a
change of -£0.4m						
since last month.	This is prima	arily due to c	hanges on th	he scheme as o	outlined below:	-
Community Hub	s – Sawsto	1				
1,603	1,180	-423	0	-423	0	-423
	,				spend profile has	been updated as
per the latest Bus						
P&C Capital Var	iation					
-13,399	-2,075	11,324	8.584	2,740	0	11,324
			,	•		ogramme is offset
		•				Therefore the net
£11.3m underspe			•	•		
the use of the var						
since last month.						
Primary, Basic Ne						
above, together w						

• For full and previously reported details see the <u>P&C Finance Monitoring Report</u>, (<u>https://tinyurl.com/wnlkfjs</u>).

6.4.3 **Corporate Services:** a -£0.1m (-1.1%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

Revised Budget for 2019/20	Forecast Spend - Outturn (Jan)	Forecast Spend - Outturn Variance (Jan)	Variance Last Month (Dec)	Movement	Breakdown Underspend/ pressure	n of Variance Rephasing	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	
IT Strategy							
1,338	150	-1,188	0	-1,188	0	-1,188	

An in-year underspend of -£1.2m is forecast on the IT Strategy schemes, which relates in full to a change since last month. The Programme Manager for the IT Strategy was appointed in quarter 3. The key activities during this period were to establish the workstreams, projects, reporting and governance to support the delivery of the IT Strategy. A detailed resource plan has been developed, including the apportionment of costs between PCC and CCC. The in-year underspend is due to rephasing in the start date for projects within the Office 365 workstream.

Corporate Services Capital Variations								
-1,431	0	1,431	108	1,323	0	1,431		
Ac agreed by the	As agreed by the Capital Programme Reard, any forecast underspend in the capital programme is offect							

As agreed by the Capital Programme Board, any forecast underspend in the capital programme is offset against the capital programme variations budget, leading to a balanced outturn overall up to the point when re-phasing exceeds this budget. Therefore the £1.188m IT Strategy underspend above and a combination of more minor underspends is balanced by full utilisation of the capital variations budget.

- For full and previously reported details see the <u>CS & LGSS Finance Monitoring</u> <u>Report</u>, (<u>https://tinyurl.com/st8qcmy</u>).
- 6.4.4 LGSS Managed: a -£0.5m (-14.6%) in-year underspend is forecast after the capital programme variations budget has been utilised in full. There are no exceptions to report this month; for full and previously reported details see the <u>CS & LGSS Finance Monitoring</u> <u>Report</u>, (<u>https://tinyurl.com/st8qcmy</u>).
- 6.4.5 **Commercial & Investment**: a -£38.6m (-22.0%) in-year underspend is forecast after the capital programme variations budget has been utilised in full.

	Forecast	Forecast	Variance		Breakdowi	n of Variance			
Revised Budget for 2019/20	Spend - Outturn (Jan)	Spend - Outturn Variance (Jan)	Last Month (Dec)	Movement	Underspend/ pressure	Rephasing			
£'000	£'000	£'000	£'000	£'000	£'000	£'000			
Commercial Investments/Multi Class Credit									
124,605	104,605	-20,000	0	-20,000	0	-20,000			

An in-year underspend of -£20m is forecast. This relates in full to a change since last month. In January General Purposes Committee (GPC) approved an additional £20m budget for Commercial Investments, the proposed investment will be funded through £20m of capital receipts. These receipts will be made available by swapping a further £20m of borrowing to fund our commercial property investments. This will release £20m of capital receipts for our commercial property acquisitions for investment in a Multi-Class Credit pooled fund.

General Purposes Committee had previously agreed £73m of borrowing to fund commercial property acquisitions this year, and this change increases that figure to £93m. The Council has spent, or has committed to spend, £105m on commercial property investments in 2019/20.

Investment in the CCC asset portfolio									
3,034	2,030	-1,004	0	-1,004	0	-1,004			
An in-year underspend of -£1.0m is forecast. This relates in full to a change since last month. There has been a delay in the timeline around initiating building work, due to delays to the planning process and therefore expenditure will need to be pushed back into the next financial year.									
Shire Hall Relocation									
7,971	6,481	-1,490	0	-1,490	0	-1,490			
An in-year underspend of -£1.5m is forecast. This relates in full to a change since last month. Delays to work starting onsite in Alconbury due to site remediation issues (now resolved) have resulted in some project costs needing to be pushed back into the next financial year.									

- For full and previously reported details see the <u>C&I Finance Monitoring Report</u>, (<u>https://tinyurl.com/tg46n88</u>).
- 6.5 A more detailed analysis of <u>total scheme</u> key exceptions this month by programme for individual schemes of £0.25m or greater are identified below:
- 6.5.1 **Place & Economy:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full details see the <u>P&E Finance Monitoring Report</u>, (<u>https://tinyurl.com/v5ytkx8</u>).
- 6.5.2 **People & Communities:** a -£12.685m (-1.9%) total scheme underspend is forecast. There are no exceptions to report this month; for full details see the <u>P&C Finance</u> <u>Monitoring Report</u>, (<u>https://tinyurl.com/wnlkfjs</u>).
- 6.5.3 **Corporate Services:** a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the <u>CS & LGSS Finance Monitoring Report</u>, (<u>https://tinyurl.com/st8qcmy</u>).
- 6.5.4 **LGSS Managed:** a -£0.069m (-1.0%) total scheme underspend is forecast. There are no exceptions to report this month; for full and previously reported details see the <u>CS & LGSS Finance Monitoring Report</u>, (<u>https://tinyurl.com/st8qcmy</u>).
- 6.5.5 **Commercial & Investment**: a total scheme balanced budget is forecast. There are no exceptions to report this month; for full and previously reported details see the <u>C&I</u> <u>Finance Monitoring Report</u>, (<u>https://tinyurl.com/tg46n88</u>).

6.6 A breakdown of the changes to funding has been identified in the table below.

Funding Source	B'ness Plan	Rolled Forward	Revised	Additional/ Reduction	Revised	 Outturn	Funding Variance
Source	Budget	Funding1	Phasing	in Funding	Budget	Funding	variance
	£m	£m	£m	£m	£m	£m	£m
Department							
for Transport	16.0	0.5	-0.3	1.9	18.2	19.8	1.6
(DfT) Grant							
Basic Need Grant	6.9	-	-	-	6.9	6.9	-
Capital							
Maintenance	4.7	-	-	-1.1	3.5	3.5	-
Grant							
Devolved							
Formula	1.0	2.0	-	-0.2	2.8	2.8	-
Capital							
Specific	8.4	0.0	-	1.1	9.5	7.7	-1.8
Grants	••••						
S106							
Contributions	10.4		40.0	0.5	10.4	10.1	0.0
& Community Infrastructure	19.4	3.3	-12.8	0.5	10.4	10.1	-0.3
Levy							
Capital		40.4	40.5			47.0	07.5
Receipts	45.4	10.4	-10.5	-0.6	44.7	17.2	-27.5
Other	24.6	3.3		5.7	33.5	16.2	-17.3
Contributions	24.0	3.3	-	5.7	33.3	10.2	-17.5
Revenue Contributions	10.1	-	-	-	10.1	10.1	-
Prudential Borrowing	133.4	22.2	-13.4	67.2	209.4	197.3	-12.0
TOTAL	269.9	41.7	-37.0	74.5	349.1	291.7	-57.4

1 Reflects the difference between the anticipated 2018/19 year end position used at the time of building the initial Capital Programme budget, as incorporated within the 2019/20 Business Plan, and the actual 2018/19 year end position.

6	.7 I	Key funding	changes	(of gre	eater than	£0.25m or	requiring	approval):

Funding	Service	Amount (£m)	Reason for Change
Addition/Reductio n in Funding - Other contributions	P&E	+£0.7	expected in relation to the Wisbech Town Centre Access Strategy, which is a Combined Authority (CA) scheme. This is in line with an increase in the level of work expected to be carried out by CCC on this scheme compared to the level anticipated in November. The Combined Authority is invoiced on a monthly basis for work on CA schemes. [Please note that this is a reduction of £346k on the amount anticipated in the December Integrated Finance Monitoring Report.]
			General Purposes Committee is asked to note the additional 2019/20 contributions of £677k expected in relation to the Combined Authority funded Wisbech Town Centre Access Study scheme.

6.8 At the February Commercial & Investment (C&I) Committee meeting C&I Committee recommended to General Purposes Committee (GPC) that an additional £808k capital investment is made in 2020/21 into property at the three Cambridgeshire Outdoor centres to fund essential repair, maintenance and reconstruction, facilitating the continued compliant operation of the centres. £99k for the most urgent health and safety and safeguarding work has already been approved under the delegated authority of the Chief Finance Officer. The costs are broken down as follows:

	2019–20 (£)	2020–21 (£)
Grafham Water Centre: workshop	0	440,461
Grafham Water Centre: other costs	33,879	175,500
Grafham Water Centre total	33,879	615,961
Stibbington Centre	6,240	139,386
Burwell House	59,046	52,260
Total for three centres	99,165	807,607

The purpose of the investment is to carry out essential maintenance work identified by the Property Team in collaboration with the staff of each Outdoors Centre. The cost of reactive maintenance is highly likely to increase in the near future if proactive investment is not made into properties – particularly with regards to the workshop at the Grafham Water Centre. Compliance with health and safety and safeguarding regulations already means that several buildings at the Grafham Water Centre are not fully operational. Accordingly, there is a high risk that the centres will be unable to offer some or all of the products which they currently provide to customers if investment is not made into property at the centres. This would result in a significant loss of income and reputational damage.

Further information can be found in the paper <u>here</u>. The scheme will be funded by borrowing; the annual cost of borrowing for this scheme (including the initial £99k) will start in 2021/22 at £51k, and decreases each year thereafter.

General Purposes Committee is asked to approve additional prudential borrowing of £808k in 2020/21 for the Outdoors Centres scheme.

6.9 At the March Economy and Environment (E&E) Committee meeting, E&E Committee recommended to General Purposes Committee (GPC) that the £1m contribution towards the A14 Improvement Scheme for 2020/21 is funded from prudential borrowing.

The Cambridgeshire and Peterborough Combined Authority (CPCA) is the Local Transport Authority, and receives funding for Local Transport Plan (LTP) capital grants from the Department for Transport (DfT), including the Integrated Transport Block (ITB) grant. In the past few years since its establishment, the CPCA has passported the LTP capital grant funding to the County Council. In September 2013 the County Council Cabinet agreed a contribution of £25m paid over a maximum period of 25 years towards the A14 Improvement Scheme. It was identified that the funding for this would come from a top slice of the ITB capital grant. The ITB funding was much higher at that time. The value of the ITB funding has since been reduced from around £10m to £3.19m per year.

The first £1m contribution to the A14 is expected to be due in 2020/21 when Highways England has delivered the improvement scheme. Currently no decision has yet been taken on where within the ITB this £1m per annum funding for the A14 will come from for 2020/2021 and given the ITB funding has reduced in recent years it is proposed to ask General Purposes Committee (GPC) to approve it is instead funded from Prudential Borrowing.

Further information can be found in the paper <u>here</u>. As a result of this change in funding to borrowing; the increase in the annual cost of borrowing for Place and Economy schemes will start in 2021/22 at £53k, and decreases each year thereafter.

General Purposes Committee is asked to approve additional prudential borrowing of £1m in 2020/21 for the A14 Improvement Scheme contribution.

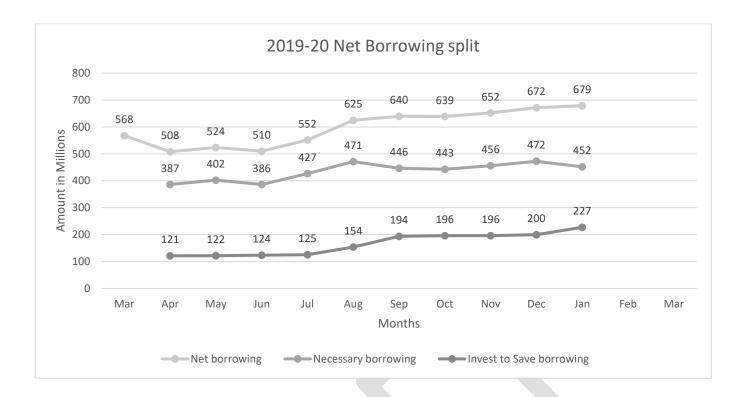
7. BALANCE SHEET

7.1 A more detailed analysis of balance sheet health issues is included below:

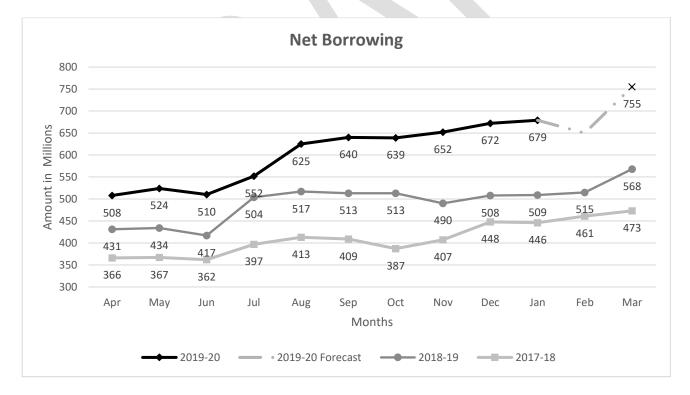
Measure	Year End Target	Actual as at the end of Jan 2020 ¹	
Level of debt outstanding	Adult Social Care	£3.37m	£5.08m
(owed to the council) 91 days +, £m	Sundry	£1.71m	£2.25m

¹ The debt figures from Oct 19 onwards exclude Cambridgeshire & Peterborough CCG debts as these are considered collectable and are subject to separate reconciliation. The amount of debt owed by Cambridgeshire & Peterborough CCG exceeding one year hold was £3.66m. The overdue amounts primarily relate to funding contributions to nursing care and for aftercare provided under section 117 of the Mental Health Act. The CCG now funds care homes for nursing care directly, rather than via the Council, so this issue relates to historic sums accrued between 2017 and 2019. Individual payments continue to be received and officers are working to reconcile these to payments owed and allocate against specific invoiced amounts. Both the Council and the CCG continue to work together to agree, expedite and reconcile payments for clients eligible for NHS funding.

7.2 The graph below shows the estimated split of the net borrowing between necessary borrowing and Invest to Save borrowing. Of the gross borrowing in 2019-20, it is estimated that £227m relates to borrowing for Invest to Save or Invest to Earn schemes, including loans we have issued to 3rd parties in order to receive a financial return.



7.3 The graph below shows net borrowing (borrowings less investments) on a month by month basis and compares the position with the previous financial year. At the end of January 2020, investments held totalled £75m (excluding 3rd party loans) and gross borrowing totalled £755m, equating to a net borrowing position of £679m.



7.4 The Council's cash flow profile – which influences the net borrowing requirement - varies considerably during the year, due to the timing difference between outgoing payments (payroll, supplier payments etc.) and income streams (grants, council tax etc.). As illustrated by 2018-19 actual net borrowing positions, cash flows at the beginning of the year are typically stronger than at the end of the year, as many grant receipts are received in advance of spend. The 2019-20 net borrowing position is expected to take a

similar path, rising more substantially towards the end of the financial year as capital projects are progressed to completion and financed.

- 7.5 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the forthcoming year. It identifies the expected levels of borrowing and investments based upon the Council's financial position and forecast capital programme. When the 2019-20 TMSS was set in February 2019, it anticipated that net borrowing would reach £732.1m by the end of this financial year. Based on the 2018-19 outturn position and subsequent revisions to the capital programme, this is now forecast to be £755.0m by the end of this financial year.
- 7.6 From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing (known as internal borrowing) and where borrowing is undertaken loans are raised for shorter terms, both to generate net interest cost savings and consequently holding less investments reduces the Councils exposure to credit risk. However, this approach carries with it interest rate risk and officers continue to monitor options as to the timing of any potential longer term borrowing should underlying interest rates be forecast to rise in a sustained manner.
- 7.7 There is a link between the capital financing borrowing requirement, the net borrowing position and consequently net interest costs. However, the Debt Charges budget is prudently formulated with sensitivity to additional factors including projected levels of cash-backed reserves, forecast movements in interest rates, and the overall borrowing requirement for the Council over the life of the Business Plan and beyond.
- 7.8 Further detail around the Treasury Management activities can be found in the latest <u>Treasury Management Report</u>, (<u>http://tiny.cc/5qfggz</u>).
- 7.9 The Council's reserves include various earmarked reserves (held for specific purposes), as well as provisions (held for potential liabilities) and capital funding. A schedule of the Council's reserves and provisions can be found in <u>Appendix 2</u>.

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 A good quality of life for everyone

There are no significant implications for this priority.

8.2 Thriving places for people to live

There are no significant implications for this priority.

8.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

8.4 Net zero carbon emissions for Cambridgeshire by 2050

There are no significant implications for this priority.

9. SIGNIFICANT IMPLICATIONS

9.1 **Resource Implications**

This report provides the latest resources information for the Council and so has a direct impact.

9.2 **Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

9.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

9.4 Equality and Diversity Implications

There are no significant implications within this category.

9.5 Engagement and Consultation Implications

No public engagement or consultation is required for the purpose of this report.

9.6 Localism and Local Member Involvement

There are no significant implications within this category.

9.7 **Public Health Implications**

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	No Name of Legal Officer: Not applicable
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	No Name of Legal Officer: Not applicable
Have the equality and diversity implications been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any engagement and communication implications been cleared by Communications?	No Name of Officer: Not applicable
Have any localism and Local Member involvement issues been cleared by your Service Contact?	No Name of Officer: Not applicable
Have any Public Health implications been cleared by Public Health	No Name of Officer: Not applicable

Source Documents	Location
P&E Finance Monitoring Report (January 20) P&C Finance Monitoring Report (January 20) PH Finance Monitoring Report (January 20) CS and LGSS Cambridge Office Finance Monitoring Report (January 20) C&I Finance Monitoring Report (January 20) Capital Monitoring Report (January 20) Report on Debt Outstanding (January 20)	1 st Floor, Octagon, Shire Hall, Cambridge

APPENDIX 1 – transfers between Services throughout the year (only virements of £1k and above (total value) are shown below)

	P&C	Public Health	P&E	CS Financing	Corporate Services	LGSS Managed	C&I	LGSS Op	Financing Items
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash Limits as per Business Plan	254,936	390	57,504	28,161	10,221	14,048	-9,502	8,161	20,357
Greater Cambridge Partnership budgets not reported in CCC budget					-602				
Budget Build correction- Impact of Local Government Pay offer on CCC Employee Costs					-430	430			
External audit fees budget transfer					27	-27			
19/20 Council tax income generation proposal to precept income					200				
	4.704		4 704		200				
Transfer of Cultural & Community Services from P&E to P&C Movement of Contract Efficiency saving target from Corporate	4,721		-4,721		49		-49		
Services	30				-30				
Inflation allocation adjustment for Children's Services Legal from CS Remove Traded Services Central income target from Central	30								
Services Risks budget.					-58		58		
Correction of apprenticeship levy					-7	7			
Correction of staffing budget					48			-48	
Community & Safety – Trading Standards moving from P&E to P&C	694		-694						
Review of 2019-20 budget as approved by GPC at 16th July 2019 meeting, Agenda item 5a	2,360				-322	-250	122		-1,910
Transfer Concessionary Fares budget to P&E	-12		12						
Adjustment to match revised LGSS Law SLA						-5		5	
Transfer of commercial scheme debt charges budget				-603			603		
Transfer P&E Management restructure savings			-22		22				
Repatriation of the Professional Finance Services from LGSS to					1,631			-1,631	
Corporate Services as approved by GPC 22nd Oct 2019 Repatriation of the Democratic & Members' Services from LGSS to									
Corporate Services as approved by GPC 22nd Oct 2019					1,438	-1,053		-385	
Allocation of £230k School Improvement Grant to P&C as approved by GPC 26th Nov 2019	230								
Transfer from Fostering to Communications	-23				23				
Transfer from Democratic Services to Place Planning and	8				-8				
Organisation Service	0				0				
Transfer Insurance budgets in line with annual Insurance Fund processes	479		1,692			-2,233	62		
Current budget	263,422	390	53,772	27,558	12,201	10,917	-8,706	6,103	18,447
Rounding	0	0	0	0	1	1	0	-1	0

APPENDIX 2 – Reserves and Provisions

	Balance	201	9-20	Forecast	
Fund Description	at 31 March 2019	Movements in 2019-20	Balance at 31 Jan 2020	Balance 31 March 2020	Notes
	£000s	£000s	£000s	£000s	
General Reserves					
- County Fund Balance	12,850	4,699	17,549	16,679	
- Services					
1 P&C	0	0	0	0	
2 P&E	0	0	0	0	
3 CS	0	0	0	0	
4 LGSS Operational	112	-26	86	313	
subtotal	12,962	4,673	17,635	16,992	
<u>Earmarked</u>					
- Specific Reserves					
5 Insurance	4,060	-1,335	2,725	2,725	
subtotal	4,060	-1,335	2,725	2,725	
- Equipment Reserves					
6 P&C	8	0	8	8	
7 P&E	0	0	0	0	
8 CS	3	0	3	3	
9 C&I	56	0	56	0	
subtotal	67	0	67	11	
Other Earmarked Funds					
10 P&C	1,008	-130	878	878	
11 PH	2,886	98	2,984	2,258	
12 P&E	5,571	-959	4,612	3,437	Includes liquidated damages in respect of the Guided Busway
13 CS	3,193	239	3,432	3,548	
14 LGSS Managed	63	0	63	0	
15 C&I	600	0	600	679	
16 Transformation Fund	24,504	2,014	26,518	22,638	Savings realised through change in MRP policy.
17 Innovate & Cultivate Fund	1,561	-360	1,201	893	
subtotal	39,386	902	40,288	34,331	
	EC 475	4.040	CO 745	E 4 050	
SUB TOTAL	56,475	4,240	60,715	54,059	
Conital Bacaryas					
<u>Capital Reserves</u> - Services					
- Services 18 P&C	29,463	0	29,463	29,463	
			-		
	6,069	691	6,760	1,000	
20 LGSS Managed 21 C&I	0	0 12 5 4 0	0	0	
	20,415	13,549	33,964	0	Section 106 and Community
22 Corporate	54,694	16,003	70,696	61,138	Infrastructure Levy balances.
subtotal	110,641	30,243	140,883	91,601	
GRAND TOTAL	167,116	34,483	201,599	145,660	

In addition to the above reserves, specific provisions have been made that set aside sums to meet both current and long term liabilities that are likely or certain to be incurred, but where the amount or timing of the payments are not known. These are:

	Balance	201	9-20	Forecast	
Fund Description	at 31 March 2019	Movements in 2019-20	Balance at 31 Jan 2020	Balance 31 March 2020	Notes
	£000s	£000s	£000s	£000s	
- Short Term Provisions					
1 P&E	0	0	0	0	
2 P&C	200	0	200	200	
3 CS	0	0	0	0	
4 LGSS Managed	3,460	0	3,460	3,460	
5 C&I	0	0	0	0	
subtotal	3,660	0	3,660	3,660	
- Long Term Provisions					
6 LGSS Managed	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
GRAND TOTAL	7,273	0	7,273	7,273	

APPENDIX 3 – RECOMMENDATIONS FROM DECEMBER 19 REPORT

The December 19 Integrated Finance Monitoring Report included the following recommendations to General Purposes Committee (GPC) that have not yet received approval, as the last Integrated Finance Monitoring Report to be presented at a meeting of GPC was the November report, on 28th January 2020.

GPC is asked to approve the recommendations in the December report, which is published online <u>here</u>.

December 19 Integrated Finance Monitoring Report

One recommendation concerning revenue funding, found in section 5.1:

5.1 Business Rates Relief Reconciliation of Authorities' 2018/19 Tax Loss Payments Grant

The Council is due to receive an additional £188k in 2019/20 from the Ministry for Housing, Communities and Local Government (MHCLG) for Business Rates Relief; Reconciliation of Authorities' 2018/19 Tax Loss Payments. Local Authorities receive interim section 31 grant payments during the year based on 2018/19 NNDR1 forecasts which recompense authorities for their individual reduction in non-domestic rating income in 2018/19. Following receipt of NNDR3 returns for 2018/19 and a reconciliation process, MHCLG has issued a new grant determination to reimburse local authorities who had previously under forecasted the amount of business rates relief given in 2018/19. As a result Cambridgeshire County Council's additional allocation for 2019/20 is £188,008.

It is proposed that this additional income is held in the corporate grants section of Funding items, and transferred to corporate reserves at year end, subject to General Purposes Committee (GPC) approval.

General Purposes Committee is asked to approve the allocation of the Business Rates Relief Reconciliation of Authorities' 2018/19 Tax Loss Payments grant (£188,008) to the corporate grants account within Funding Items. This will offset pressures across the Council, reducing the transfer from the general fund reserve at year-end.

Savings Tracker 2019-20

	Savings Tracker 2019-20			Inves	tment £000			Prior Years	s	Plar	nned Savings 20	19-20 £000		Prio	or years		Forecas	st Savings 201	19-20 £000							
			7,37	8 2,4	86	1,529	1,528	-21,509	-5,43	1 -1,	998 -1,7	794 -:	,549 -1 !	<mark>5,785</mark> -	15,910	-5,404	-2,328	3 -1,7	92 -2,3	391 -	13,226	2,559				
RAG	Reference Title	Description	Budgeted Investment Prior Years £000		Investme	d Actual ent - Investn 00 19-20 £	nent - Sa				Original Q2 Phasing - C			Savings Achieve 9-20 Prior Ye			Current Forecast Phasing - Q2	Current Forecast Phasing - Q	Current Forecast 3 Phasing - C	Forecas Saving	st 🚬	iance m Plan 10	Saving complete?	% Variance	Direction of travel	Forecast Commentary
Blue	A/R.6.114 Learning Disabilities - Increasing independence and resilience when meeting the needs of people with learning disabilities	A three-year programme of work was undertaken in Learning Disability Services from 2016/17 to ensure service-users had the appropriate level of care - this saving is the remaining impact of part year savings made in 2018/19.	. 1,53	6 1,5	20	0	0	-5,481	1		0	0	0	-200	-3,992	-250	-148	3 -:	52	-20	-470	-270	No	-135.00	Ť	On track to over-achieve
Amber	A/R.6.126 Learning Disabilities - Converting Residential Provision to Supported Living	This is an opportunity to de-register a number of residential homes for people with learning disabilities and change the service model to supported living. The people in these services will benefit from a more progressive model of care that promotes greater independence.		0	0	0	0	C	D)	0	0	0	-250	0	0	C)	0	-20	-20	230	No	92.00	t	This is a complex and very volatile area for savings delivery, with challenge from family carers, service user advocates and housing providers. This has slowed delivery of this saving, with only a small element expected to be achieved.
Blue	A/R.6.127 Care in Cambridgeshire for People with Learning Disabilities	Work to enable people with learning disabilities who have been placed 'out of county' to move closer to their family by identifying ar alternative placement which is closer to home. To be approached on a case by case basis and will involve close work with the family and the person we support. Will also involve ensuring out of county placements are cost effective and are appropriately funded by the NHS.		0 1	20	0	0	C	D	0	0	0	0	-250	0	-200	-478	3	65	-63	-806	-556	No	-222.40	Ŷ	On track to over-achieve
Green	Better Care Fund - Investing to support A/R.6.128 social care and ease pressures in the health and care system	The Improved Better Care Fund is a grant from Central Government for adult social care, to ensure that the health and social care marke is not destabilised by pressures on Adult Social Care. A proportion of the funding will be taken as a saving in order to offset increased cost in social care as a result of demand rising and legislative pressures. The IBCF also provides targeted investment in social care services that will promote better outcomes for patients and social care services. The funding has not been confirmed beyond 2019/20, and so at this stage this remains a temporary saving.		0	0	0	0	-7,200	0 -1,30	0	0	0	0 -:	1,300	-7,200	-1,300	C		0	0	-1,300	0	No	0.00	Ţ	On track
Amber	A/R.6.132 Mental Health Social Work PRISM Integration Project	The introduction of social workers and social care support staffing into the community / primary care health services (PRISM) will deliver improved mental health outcomes for Cambridgeshire residents and reduce demand for services through a focus on prevention, early intervention and strengths-based approach.	34	0	0	0	0	C	0 -51	0	-75	-50	-25	-200	0	-10	-28	3	0	-27	-75	125	No	62.50	Ţ	A change of direction regarding implementation of PRISM has meant that the original model for savings delivery is no longer appropriate. Whilst alternative savings plans are being considered, it is expected that there will be a shortfall against the target, reflecting upwards demand pressures in relation to the provision of care.
Blue	A/R.6.133 Impact of investment in Occupational Therapists	OT involvement in reablement goal-setting and review will improve outcomes at the end of the pathway through achieving greater service user independence at the end of reablement.		0	0	0	o	C	0 -5		100	-50	-20	-220	0	-50	-100	-1	10	-80	-340	-120	No	-54.55	Ŷ	On track to over-achieve
Green	A/R.6.143 Review of Support Functions in Adults	A review of support functions to ensure that capacity is aligned appropriately to the needs of the services supported.	10	0	4	0	0	C	0 -15	D	0	0	0	-150	0	-150	C	b	0	0	-150	0	Yes	0.00	÷	On track
Red	A/R.6.174 Review of Supported Housing Commissioning	An ambitious saving of £1m was included in the 2018-23 Business Plan linked to a review of commissioning arrangements for supporte housing. Following a detailed review of contract opportunities over the last 12 months, a reduction in the overall saving level is required The remaining saving will be achieved through working with district partners and providers to redesign services.	25	0	0	0	0	C	0 -14	5 -	146 -1	146	-146	-583	0	-80	-80)	80	-42	-282	301	No	44.94	÷	Expected to be delivered over 2 years into 2020/21 - this revised phasing was agreed when Council set the 2019-24 budget, with the service finding mitigations in-year to offset the revised phasing.
Amber	A/R.6.176 Adults Positive Challenge Programme	Through the Adults Positive Challenge Programme, the County Council has set out to design a new service model for Adult Social Care which will continue to improve outcomes whilst also being economically sustainable in the face of the huge pressure on the sector. This work will focus on promoting independence and changin the conversation with staff and service-users to enable people to sta independent for longer, and has already had success in 2018/19 through a fast-forward element of the programme.		0 2	39 :	1,500	1,500	c	0 -1,34)) .	983 -8	384	-584 -:	3,800	0	-591	-781	-71	00 -•	978	-3,051	749	No	19.71	Ţ	Evidence of slower than expected delivery in some workstreams, with cases of interventions not having avoided as much cost as expected or as quickly as expected. In particular, a large proportion of the saving was expected to come from the use of Technology Enabled Care – this already contributes millions to savings year on year but delivering above this has proven slower than expected and we expect to see benefits in future years. Over-delivery in Reablement is a positive, and analysis shows further evidence of the impact of 'changing the conversation' work, which has demonstrated demand is being managed. Savings are not 'claimed' against this work without robust evidence that programme interventions are having an impact
Green	A/R.6.177 Savings through contract reviews	Several contracts have been retendered throughout 17/18 and 18/1 and have delivered efficiencies, which can now be taken as savings. The largest of these was a retender of domiciliary care block car rounds in late 2017/18.	9	0	0	0	0	0	0 -41	2	0	0	0	-412	0	-412	0		0	0	-412	0	Yes	0.00	÷	Complete
Green	A/R.6.211 Safer Communities Partnership	A review of the required management and support functions within the team will be undertaken depending on the outcome of funding bids, and could deliver a saving of £30,000 during 2019/20.		0	0	0	0	C	0 -3	0	0	0	0	-30	0	-30	0		0	0	-30	0	Yes	0.00	÷	Complete
Green	A/R.6.212 Strengthening Communities Service	The deletion of a recently vacant Community Protection Project Officer post. The community led no cold calling zones project, which was coordinated by the previous post holder, has now successfully concluded.		0	0	0	0	C	0 -3		0	0	0	-30	0	-30	C		0	0	-30	o	Yes	0.00	↔	Complete

					Inv	estment £000		Prior Year	rs	Planne	ed Savings 2019-2	20 £000		Prior years		Forecast	Savings 2019-	20 £000]				
				7,37		,486 1,	529 1,	.,528 - 21,5 0	-5,43	1 -1,99	8 -1,794	-1,549	-15,785	-15,910	-5,404	-2,328	-1,792	-2,391	-13,226	2,559)			
RAG	Reference	Title	Description	Budgeted Investment Prior Years £000	- Investme	Budgeted nt - Investmer 19-20 £00	Actual nt - Investmer 0 19-20 £00	Original nt - Saving - Prio 10 Years	Original ^{Ir} Phasing - Q1	Original Phasing - Q2	Original Phasing - Q3	Original (Phasing - Q4	Original Saving 19-20	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current C Forecast F Phasing - Q2 F	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 19-20	Variance from Plan £000	Saving complete?	% Variance	Direction of travel	Forecast Commentary
Green	A/R.6.213	Youth Offending Service - efficiencies from joint commissioning and vacancy review	The full year impact of savings realised as a result of the Commissioning of Appropriate Adults and Reparation Services with Peterborough City Council and Cambridgeshire Constabulary. The removal of all capacity within the Youth Offending Service to spot purchase time limited support programmes, tailored to meet individual needs, which may be over and above the core offer. The removal of a part time vacant case holding post, and part time vacantSeniorYOSOfficer post.		0	0	0	0 -12	24 -41	o	o o	0	-40	-192	-40	o	0	a	-40) () Yes	0.00	÷	Complete
reen	A/R.6.214	Youth Support Services	Removal of a staff training budget for Youth Staff (£10k), a reduction in staff capacity and the Community Reach Fund (£30k)		0	0	0	0	0 -4	0	o o	0	-40	0	-40	0	0	C	-40) (Yes	0.00	↔	Complete
ireen	A/R.6.252	Total Transport - Home to School Transport (Special)	Saving to be made through re-tendering contracts, route reviews, looking across client groups and managing demand for children requiring transport provision		0	0	0	0	0 -8	3 -2	8 0	0	-110	0	-28	-27	-28	-27	-110		Yes	0.00	÷	Complete
Green	A/R.6.253	Children in Care - Mitigating additional external residential placement numbers	There is currently a shortage of foster placements due to increased numbers of children in care both locally and nationally. This has resulted in a growing number of young people being placed in much higher cost residential placements. This business case describes how we will seek to mitigate 3 of the 8 additional residential placements expected and hence requiring a reduced contribution to the placement budget from demography funding.	70	05	92	0	18	0 -12	5 -12	5 -125	-125	-500	0	-125	-125	-125	-125	-500) () No	0.00	÷	On track
Green	A/R.6.254	Children in Care - Fee negotiation and review of high cost placements	Negotiation of external placement costs and review of high cost placements. This will be delivered by: - Cost discounts - Volume/long term discounts - Reviewing packages of support for all purchased placement types - Reviewing high cost placements	ç	50	16	50	10	0 -5	0 -5	0 -50	-50	-200	0	-50	-50	-50	-50	-200) () No	0.00	÷	On track
reen	A/R.6.255	Children in Care - Placement composition and reduction in numbers	Numbers of children in care remain at around 100 higher than they should be if our performance was in line with the average of our statistical neighbours. This business case is targeted at reducing n demand in the system and delivering sustainable savings by reducing costs associated with higher numbers of children in care in the system as well as increasing in-house fostering numbers and reducin the number of independent agency placements, which are more costly.		0	0	0	0	0 -33	6 -32	5 -325	-325	-1,311	0	-336	-325	-325	-325	-1,311		D No	0.00	÷	On track
een	A/R.6.258	Children's home changes (underutilised)	Anticpated savings resulting from the closure of the Victoria Road children's home that is currently underutilised. The budget associated with the residential element of the children's home is £600K per annum. The placement costs of the young people living in the provision until mid-June is in the region of £230K per annum, resulting in a full year saving of around £350K per annum.		0	0	0	0	0 -35	D	0 0	0	-350	0	-350	0	0	C	-350) () Yes	0.00	÷	Complete
een	A/R.6.259	Early Years Service	A review of services provided by the Early Years Service in light of the links with Peterborough and growing traded services.	2	0	0	0	o	0 -5	0 -5	0 -50	-50	-200	0	-50	-50	-50	-50	-200) c	9 Yes	0.00	↔	Complete
een	A/R.6.260	Reduction of internal funding to school facing traded services	A reduction to the internal funding of the ICT Service and the PE and Sports Advisory Service recognising a reduction in LA useage		0	0	0	0	0 -3	8 -3	8 -38	-37	-151	0	-38	-38	-38	-37	-151		No No	0.00	÷	On track
een	A/R.6.261	Schools Intervention Service	Reduction in capacity of the service in line with the reduced number of maintained schools that require a direct service		0	0	0	0	0 -2	5 -2	5 -25	-25	-100	0	-25	-25	-25	-25	-100	0 0	Yes	0.00	↔	Complete
lack	A/R.6.263	Term time only contracts	A voluntary change to term time only contracts (or annualised hours) for staff in the Education Directorate where this is appropriate for their role.		0	0	0	0	0 -	7	8 -7	-8	-30	0	0	0	0	0		30	No No	100.00		Saving unachieved in 2019/20 however miti savings have been made elsewhere to offse
reen	A/R.6.264	Review of Therapy Contracts	Savings will be delivered by reviewing existing arrangements but further details are unavailable at this time due to commercial confidence.		0	0	0	0	0	0	D 0	0	-321	0	0	0	0	-321	-321) No	0.00	÷	On track
			Proposal to develop Early Years subscription package for trading with																					On track

					Invest	ment £000		Prior Ye	ears	Plan	ned Savings 20	019-20 £000)	Prior	vears		Forecast	t Savings 2019	9-20 £000						
				7,37	8 2,48	36 1,52	29 1,528	B -21,	,509 -5,4	431 -1,9	998 -1,	794	-1,549 -1	<mark>5,785</mark> -:	15,910	-5,404	-2,328	-1,792	2 -2,391	-13,22	2,55	9			
RAG	Reference	Title	Description	Investment -	Actual Investment Prior Years £000	Investment	Actual - Investment - 19-20 £000		Original rior Phasing - C				al Original g - Q4 Saving 1	Savings Achieve 9-20 Prior Ye	d Eoroca	et Eoro	cact	Current Forecast Phasing - Q3	Current Forecast Phasing - Q4	Forecast Saving 19-20	Variance from Plan £000	Saving complete?	% Variance	Direction of travel	Forecast Commentary
Green	A/R.7.103	Attendance and Behaviour Service income	A review of charging models and use of school absence penalty notices within the Attendance and Behaviour Service		0	0	0 0	D	0	-12 -	-13	-12	-13	-50	0	-12	-13	-12	2 -13	-5	i0 (0 Yes	0.00	÷	Complete
Black	B/R.6.103	Shared Service: Historic Environment	Income generation shared services with Peterborough.		0	0	0 0	D	0	0	0	0	0	-10	0	0	0	C	o 0		0 1	0 No	100.00	↔	Shared service with PCC, still at discussion stage.
Green	B/R.6.105	Transformation of the Infrastructure & Growth Service into a profit centre.	The service recovers its operating costs through recharge and development related income. A large proportion of this is for externa clients, such as the Combined Authority & GCP. Commerical operation of the service will maximise income opportunities and standardise the approach to working with external clients.	1	0	0	0 0	D	0	0	0	0	0	-79	0	-79	0	C	0 0	-7	9	D No	0.00	÷	Already taken from base budget
Green	B/R.6.202	Highways Maintenance	Utilising a greater proportion of the on-street parking surplus to fund highways and transport works as allowed by current legislation.		0	0	0 0	D	0	0	0	0	0	-350	0	-350	0	(0 0	-35	60	0 No	0.00	↔	Change of funding source to accommodate savings
Amber	B/R.6.206	Highways Shared Services Model	Creation of a single, shared highway service across Cambridgeshire and Peterborough.		0	0	0 0	D	0	0	0	0	0	-150	0	-12	-13	-12	2 -13	-5	i0 10	D No	66.67	↔	The £150k shared service saving will not be achieved until 20/21. However there are savings within Road Safety of £50k which will mitigate this shortfall.
Green	B/R.6.210	Household Recycling Centre changes	Implementation of a permitting system for vans and trailers.		0	0	0 0	D	0	0	0	0	0	-60	0	-15	-15	-15	5 -15	-6	0	0 No	0.00	↔	Saving in 19/20 to be made via vacancy saving within the team.
Green	B/R.6.214	Street Lighting - contract synergies	Annual saving from joint contract drafting with partners. This will no lead to any reduction in street lighting provision.	t 80	0 22	28	0 0	D -	·227	0	0	0	0	11	-227	11	0	C	0 0	1	.1	0 No	0.00	↔	Funding adjustment
Red	C/R.6.101	Sharing with other Councils	A joint working agreement is now in place with Peterborough City Council along with a growing number of shared posts.	40	0 26	57	0 0	D	0	0	0	0	0	-500	0	0	0	-73	3 0	-7	/3 42	7 No	85.40	÷	Shared Services saving from 18/19 to be met before progress can be made against this target. This target has been significantly reduced based on actual experience to date through the Business Plan for 2020/21.
Black	C/R.6.106	Reduction in costs on Redundancy, Pensions & Injury budget	Reduction in costs on Redundancy, Pensions & Injury budget, held within Corporate Services.		0	0	0 0	D	-20	0	0	0	o	-10	-20	o	0	(o o		0 1	0 No	100.00	↔	Saving not expected to be met, as costs are not reducing as anticipated.
Black	C/R.7.101	BP 19/20 - Council Tax: Increasing Contributions	We will seek to work with Cambridgeshire District Councils to identifi the best possible activities to drive up increased payment of Council Tax in Cambridgeshire. Based upon these discussions, we will procurr support to undertake a process of identifying residents who are incorrectly paying less Council Tax than they should be, notify them and bill them appropriately, bringing in additional revenue. We may also seek to support arrangements to enable people who are genuinely unable to pay their Council Tax by offering more flexible payment terms. Based upon previous work in this area, there is a reasonable likelihood that this activity could be commissioned on a no-win-no-fee basis, with the Local Authority only having to pay if the work undertaken is successful.	2	0	0	0 0	D	0	0	0	0	0	-200	0	0	0	c	0 0		0 20	D No	100.00	Ļ	The Council tax income saving has been rephased to 2021-22 as set out in the 2020-25 Business Plan. This reflects the increased lead time required to develop and embed the cross-county initiative which supports delivery of this saving. The extension of initial development work is expected to increase the income saving that can be achieved in future years.
Green	D/R.6.999	LGSS operational savings	Savings being driven out by the Milton Keynes Council partnership, from LGSS income growth and from efficiencies following the		o	0	0 0	D	0	0	0	0	o	-159	o	0	0	C	o o	-15	9	0 No	0.00	↔	
Black	D/R.6.999	LGSS trading savings	introduction of the new ERP system. Saving predicated on growth in LGSS' trading base through acquiring a fourth partner and further customer growth. With much of the work to achieve this on hold whilst the review of the LGSS operating model is completed there is risk around the delivery of this saving.		0	0	0 0	0	0	0	0	0	0	-460	0	0	0	(0 0		0 46	D No	100.00	↔	Saving predicated on securing a fourth partner which is not possible whilst the review of the LGSS operating model is ongoing.
Amber	D/R.6.999	LGSS additional savings	Additional LGSS savings ask above and beyond the savings share between the three partners. This will need to be delivered through a reduced service offering to CCC and options are being drawn up by LGSS for consideration by CCC for the delivery of this saving.		0	0	0 0	D	0	0	0	0	0	-300	0	0	0	C	0 0	-17	'8 12	2 No	40.67	Ļ	No further savings are anticipated in 2019/20 - awaiting the outcomes of the LGSS operating model review.
Green	E/R.6.031	NHS Health Checks - IT software contrac decommissioned	NHS Health Checks is a cardiovascular risk assessment offered to people aged to 40 to 74 year olds every five years who do not have a diagnosed health condition. GP practices are commissioned to identify and invite eligible individuals to have an NHS Health Check. A robust data collection process is required to manage patient data and to ensure that anonymized data is sent to the Local Authority as part of the performance monitoring and payment system to the GPs. In 2017 after securing agreement from the Clinical Commissioning Group (CCG) which has responsibility for practice systems. The introduction of GPPR compromised the security of the software as it could not meet fully the GDPR requirements and therefore the contract was decommissioned. The IT company fully agreed with this approach and assumed any additional cost for removing systems already in practices. GP practice systems have developed rapidly and they are now able to manage NHS Health Check data electronically and share anonymized data with the Local Authority at no cost to the Local Authority.		0	0	0 0	5	0	-41	0	0	0	-41	0	-41	0	C	o o	-4	11 (D No	0.00	÷	

					ment £000		Prior Yea			ned Savings 2019	-20 £000		Prior years			vings 2019-20			_		
RAG	Reference Title	Description			Budgeted	Actual	Original						Savings	Current Forecast	Current Cur	recast F	precast	-13,226 2, Forecast Forecast From Pla Saving 19-20 £000	Saving	, % Variance	Direction of travel
Green	E/R.6.032 NHS Health Checks Funding	There has been a recurrent underspend on the NHS Health Checks Programme since the transfer of the funding from the NHS to the Local Authority which has reflected fairly stable activity levels.		0	0	0	0	0 -13	3 -	13 -13	3 -1	3 -50	0 0	-13	-13	-13	-13	-50	0 No	0.00	↔
Green	E/R.6.033 Drug & Alcohol service - funding reduction built in to new service contract	Savings will be secured through the re-commissioning of the Cambridgeshire Adult Drug and Alcohol Treatment Services, which will enable transformational changes to be undertaken. The Drugs and Alcohol Joint Strategic Needs Assessment, (2016) indicated changes in needs that are addressed in the new service model. An aging long-term drug using population that enter and re-enter the Service has complex health and social problems that do not require intensive acute drug treatment services but more cost effective support services to ensure their good mental and physical health and social support needs are met. Strengthened recovery services using cost-effective peer support models to avoid readmission, different staffing models and a mobile outreach service.		0	0	0	0	0 -162	2	0 0	D	0 -162	2 0	-162	0	0	0	-162	0 No	0.00	æ
Green	E/R.6.035 Children 5-19 - Mental Health Training for Children's workforce	This proposal ceases funding for intensive training for a relatively small number of the young people's workforce each year, delivered face to face by Cambridgeshire and Peterborough NHS Foundation Trust. Instead it is proposed that Public Health staff work together with the Heads of Early Help to establish a clear specification of the training requirements and success criteria for an e-learning training package with less intensive face to face training in 2019/20, focusser on the mental health training needs of Young People's workers in th Early Help Teams.	ł	0	0	0	0	0 -36	5	0 (D	o -36	5 0	-36	0	0	0	-36	0 No	0.00	æ
Green	Children's 0-19 Services - Healthy Child Programme - Proposal previously agreed in 2017/18 business planning process	This £238k savings proposal was previously discussed by Health Committee in the autum 2017 business planning round. It was agreed to fund the £238k saving from public health reserves in 2018/19, to allow further time to develop the 0-19 Healthy Child integration programme (and associated savings) for implementation in 2019/20. The Healthy Child programme is a universal-progressive, needs- based service delivered at 4 levels: Community, Universal, Universal Plus (single agency involvement) and Universal Partnership Plus (multi-agency involvement). All children, young people and families are offered a core programme of evidence based, early intervention and preventative health care with additional care and support for those who need it. The 0-19 Healthy Child Programme (HCP) consists of Health Visiting (0-5yrs), Family Nurse Partnership (for vulnerable teenage parents), and School Nursing (5-19yrs). It is delivered by CCS in Cambridgeshir and CPFT in Peterborough. The 2018/19 budget allocations are £8,926,739 in Cambridgeshire and £3,655,226 in Peterborough. Tota approximately £12.6 million. Savings will be achieved by integrating the two services with a common management structure, and redesigning the service model to achieve savings through improved skill mix. A Transformation Board including commissioners, public health and senior management from the two provider organisations has been set up to oversee the project from design to implementation. The positive impact of this integration is that it will reduce duplication freeing up workforce capacity to improve areas of peor performance across the HCP particularly in mandated 0-5 checks. There will be an increased focus on areas of need so workforce and services will be resourced to ensure there is an improvement in outcomes and reduced inequalities. The Benson modelling tool has	e I	0	0	0	0	0 -238	3	0 0	0	0 -238	3 0	-238	0	O	0	-238	0 No	0.00	↔
Green	E/R.6.037 Children's 0-19 Services - Healthy Child Programme - Additional savings proposal for 2018/19	been used to model the workforce requirements and various option See description for proposal E/R.6.036. This proposal is for additional savings associated with integration of the 0-19 Healthy Child integration programme, not previously discussed in autumn 2017.		0	0	0	0	0 -160	ס ס	0 0	D	0 -160	0 0	-160	0	0	0	-160	0 No	0.00	↔
Green	E/R.6.038 Public Health Directorate - In house staff rationalisation	It has been possible to build on the efficiencies created by creating a joint public health directorate across Cambridgeshire County Counci and Peterborough City Council, by merging two team leader posts in the joint public health commissioning unit. In addition it is proposed to delete three vacant posts in the public health directorate. The saving will be shared across Cambridgeshire County Council and Peterborough City Council, and some of the saving is offset by a technical change to the recharge across the two Councils.		0	0	0	0	0 -80	0	0 0	D	0 -80	0 0	-80	0	0	0	-80	0 No	0.00	æ
Green	Reduce Long Acting Reversible Contraception (LARCs) funding in line with audit results and completion of clinician training	LARCs are commissioned from GP practices. The Clinical Commissioning Group (CCG) recharges the LA for the cost of the contraception devices. Audits have been undertaken of the services which revealed that the recharges included the cost of items for which the LA is not liable i.e. injectable contraception and the use of devices for gynaecological purposes. In addition the training programme for clinicians to ensure that there is capacity in the system to accommodate retiring GPs has now been completed.		0	0	0	0	0 -15	5 -	15 -1	5 -1	5 -60	0 0	-15	-15	-15	-15	-60	0 No	0.00	æ

				Investr	ment £000		Prior Yea	ars	Pla	anned Savings 20	19-20 £000		Prior yea	rs	Fored	cast Savings 201	9-20 £000]				
			7,37	/8 2,48	36 1,52	9 1,5	528 - 21,5	-5,4	31 -1	1,998 -1,	'94 -1,	549 -15,7	7 <mark>85 -15,9</mark> 1	-5,40)4 -2,3	28 -1,79	2 -2,39	1 - 13,226	2,55	9			
RAG	Reference Title	Description		Actual - Investment - Prior Years £000	Budgeted Investment 19-20 £000	Actual Investment 19-20 £000	Original t - Saving - Pri) Years	Original ior Phasing - Q	Original 1 Phasing -	Original - Q2 Phasing - C	Original 3 Phasing - (Original 24 Saving 19-2	Savings Achieved - Prior Years	Current Forecast Phasing - Q1	Current Forecast Phasing - Q	Current Forecast 2 Phasing - Q3	Current Forecast Phasing - Q4	Forecast	Variance from Plan £000	Saving complete?	% Variance	Direction of travel	Forecast Commentary
Green	E/R.6.040 Reduce immunisations promotion budget	In 2016/17 funding of £20k per annum was allocated by Cambridgeshire County Council for promotion of immunisations. Since then childhood immunisation rates have improved, although still with some further work to do, and the PHE/NHS England screening and immunisations team have been actively taking forward further improvement measures. It is proposed to mainstream promotion of immunisations within the wider health protection and communications functions. £7k will be allocated to the health protection budget and the remaining £13k taken as a saving.	ł	0	0	0	0	0	-9	0	0	0 -	-13	0 -1	13	0	0	0 -13	3	0 No	0.00	÷	
Green	E/R.6.041 Expected operational savings across Public Health staffing and contracts	In-year vacancy savings and efficiencies within demand-led contracts.		0	0	0	0	0	0	0	0 -	109 -1	109	0	0	0	0 -10	9 -109		0 No	0.00	↔	Will be made through staff vacancies and any other underspends on demand led spending.
Black	F/R.6.001 BP 19/20 Contract Efficiency	A review of specific areas identified within the contract register to discover what potential there is for savings through more commercially minded renegotiation, re-consideration of service specifications and consideration of where smarter payment processe may assist in driving down costs.	s	0	0	0	0	0	0	0	0	0 -2	200	0	0	0	0	o c) 20	0 No	100.00	⇔	Any savings made in 2019/20 will go towards the savings target carried forward from 2018/19 which was not met in that year.
Green	F/R.6.108 Energy Efficiency Fund - Repayment of Financing Costs	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal F/C.2.119		0	0	0	0 -	-39	0	0	0	0 -	-19 -3	39	0	0	0 -1	9 -19		0 No	0.00	↔	
Green	F/R.7.103 County Farms Investment (Viability) - Surplus to Repayment of Financing Costs	Increase in County Farms rental income resulting from capital investment. Element surplus to repaying financing costs.		o	o	0	0 -	-15	0	0	0	o	16 -1	15	o	0	0	0 16		0 No	0.00	↔	
Green	F/R.7.104 County Farms Investment (Viability) - Repayment of Financing Costs	Increase in County Farms rental income resulting from capital investment. Links to capital proposal F/C.2.101.		0	0	0	0 -	-97	0	0	0	0 -	-16 -9	95	0	0	0	0 -16	5	0 No	0.00	↔	
Green	F/R.7.105 Renewable Energy Soham - Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to repay financing costs. Links to capital proposal C/C.2.102 in BP 2016-17.		o	o	0	0 -8	377	0	0	0	o	-8 -87	77	o	0	0	0 -8	3	0 No	0.00	↔	
Green	F/R.7.106 Utilisation/commercialisation of physical assets	One Public Estate Asset plan Maximise the income generated from parking Venue request tool		0	0	0	0	0	0	0	0	0 -	-21	0	0	0	0	0 -21		0 No	0.00	↔	
Red	F/R.7.113 Invest to Save Housing Schemes - Income Generation	The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future CCC will operate to make best use of sites with development potential in a co-ordinated and planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities.	2,57	77	0 -2	1	0 -6,9	923	0	O	0	0 -1,4	183 -2,74	47	0	0	0	0 -942	2 54	1 No	36.48	Ţ	Dependent on land values and This Land's readiness for construction loans. An update on This Land is going to the March C&I Committee.
Green	F/R.7.127 Renewable Energy Soham - Surplus to Repayment of Financing Costs	Income generation resulting from capital investment in solar farm at Soham. Element to surplus to repaying financing costs.		0	0	0	0 -1	187	0	0	0	0	-5 -18	37	0	0	0	0 -5		0 No	0.00	↔	
Green	G/R.6.004 Capitalisation of interest on borrowing	Through a change in the Council's accounting policy in 2017-18, the cost of borrowing within all schemes will be capitalised. This will help to better reflect the cost of assets when they actually become operational.		0	0	0	0 -3	319	0	0	0	0	11 -31	19	0	0	0	0 11		0 No	0.00	÷	

Key to RAG ratings:

Total saving	Over £500k	100-500k	Below 100k
Black	100% non-achieving	100% non-achieving	100% non-achieving
Red	% variance more than 19%	-	-
Amber	Underachieving by 14% to 19%	% variance more than 19%	% variance more than 19%
Green	% variance less than 14%	% variance less than 19%	% variance less than 19%
Blue	Over-achieving	Over-achieving	Over-achieving



Agenda Item No.12

TITLE INTERNAL AUDIT PLAN 2020/21

To: Audit & Accounts Committee

Date: 24th March 2020

From: **Duncan Wilkinson, Chief Internal Auditor**

1. PURPOSE

1.1 To present the 2020/21 Internal Audit Plan to the Committee for approval.

2. BACKGROUND

- 2.1 The role of Internal Audit is to provide the Audit and Accounts Committee and management, independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
- 2.2 This report outlines the proposed 2020/21 Internal Audit Plan (at Appendix 1). It is subject to consultation with Directors with any changes proposed highlighted to the Audit & Accounts Committee for approval.
- 2.3 Audit & Accounts Committee (A&A) will be requested to consider and comment on the contents of this report, and approve the proposed Plan as attached. Consistent with best practice the plan is flexible i.e. it is submitted to A&A at every meeting (within a progress update report) where changes can be agreed, in consultation with the 151 Officer.

3. **RECOMMENDATION**

The Committee is asked to note and comment on the report and approve the proposed Plan as attached at Appendix 1.



4. THE INTERNAL AUDIT PLAN

4.1 BACKGROUND

- 4.1.1 The Plan is developed consistent with the Public Sector Internal Audit Standards (PSIAS). The standards include the need for risk-based plans to be developed for internal audit and for plans to receive input from management and the 'Board'; for the purposes of the key duties laid out in the PSIAS, the Audit & Accounts Committee is effectively the 'Board' for the Council.
- 4.1.2 Under the Local Government Act and the Accounts and Audit Regulations, the Council's Section 151 officer is responsible for ensuring that there are adequate and effective arrangements in place for Internal Audit.
- 4.2 AUDIT PLANNING
- 4.2.1 PSIAS Performance Standard 2010 Planning states that:

"The Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals."

- 4.2.2 The standards refer to the need for the risk-based plan to consider the organisation's risk management framework, and to take into account the requirement to produce an annual internal audit opinion and the assurance framework.
- 4.2.3 Within the Council, the Chief Audit Executive is the Chief Internal Auditor, for the purposes of the PSIAS. Performance Standard 2450 Overall Opinions states that:

"The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control."

4.2.4 The risk-based plan therefore needs to include an appropriate and comprehensive range of work which is sufficiently robust to confirm that all assurances provided as part of the system of internal audit can be relied upon by the Audit & Accounts Committee. The Chief Internal Auditor will ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the internal audit plan.



4.3 THE PLANNING PROCESS

- 4.3.1 The Plan is based on assurance blocks that each provides an opinion over key elements of the control environment, targeted towards in-year risks, rather than a more traditional cyclical approach examining each system over a number of years. For each assurance block, the most appropriate level of coverage necessary to provide an effective annual assurance opinion and added value to the organisation has been developed.
- 4.3.2 The audit plan is intended to remain dynamic in nature and will be reviewed and re-aligned on a regular basis to take account of new, emerging and changing risks and priorities. Resources will then be re-prioritised towards the areas of highest risk. The Audit Plan will be reported to Audit & Accounts Committee every quarter, and should be reviewed and robustly challenged by the Senior Management, the Section 151 Officer and the Audit & Accounts Committee.
- 4.3.3 In order to develop the audit plan, there must be a sound understanding of the risks facing the Council. The Internal Audit risk assessment of the authority is updated during the year and used to form the basis of the Internal Audit plan, alongside the Corporate Risk Register. Internal Audit has also engaged with members of senior management to ensure that known and emerging risks are considered in annual audit planning. Potential audit areas identified through this process are then assessed and weighted according to the level of risk.
- 4.4 THE ANNUAL PLAN
- 4.4.1 The Internal Audit Plan for the next year must be sufficiently flexible to enable assurance to be obtained over current risk areas, as well as emerging risks, and those risks which are yet to be identified. This is particularly relevant as we move into 2020/21, with the Council continuing to evolve and transform in the face of ongoing financial challenges. To reflect this, the draft 2020/21 Plan includes a particular focus on procurement and contract management. The time allocated for these reviews has been increased by 200 days, to enable audit review of a greater number of key organisational contracts, including framework contracts, in the coming year.
- 4.4.2 Inevitably, the potential for risks is increased during periods of change. For instance, reductions or high levels of turnover in the workforce provide an opportunity for controls to break down as well as an opportunity to consider new and more efficient ways of organising people, systems and processes, without adversely impacting internal control. To reflect this risk, the Audit Plan contains an allocation of time for advice and guidance. Reviews of the key financial systems and pro-active anti-fraud and compliance audits will provide assurance that the basic governance and control arrangements are continuing to operate effectively, minimising the risks of misappropriation, loss and error.



- 4.4.3 The Audit Plan reflects the public sector environment, recognising that this has changed considerably over the past few years with more focus on, for example, better assurance, safeguarding and achieving best value. The planned audit coverage is intended to ensure stakeholders receive a valuable assurance and that the audit service tangibly adds value to the organisation.
- 4.4.4 Maintaining an Audit Plan which is dynamic, challenging and prioritised based on the organisation's risks is not a new concept; however, in the current environment it is ever more critical if Internal Audit is to help the Council to respond effectively to the scale of change required in 2020/21 and beyond.

4.5 HOW ASSURANCE CAN BE GIVEN

As detailed above, the plan is split into both assurance blocks and directorate areas for ease of understanding as well as to demonstrate how assurance on the organisation's control environment can be given. There are a number of key assurance blocks, which are summarised below:

4.5.1 Key Financial Systems

This is the traditional area of internal audit work and very much focuses on providing the Section 151 officer assurance that "the Council has made arrangements for the proper administration of its financial affairs." With the single finance system operated across LGSS partners, LGSS Internal Audit can deliver economy of scale via core testing on systems, supported by transactional testing of individual client operations.

4.5.2 Governance and Assurance, and Risk Management

The Plan incorporates annual assurances over core elements of the organisation's overall control system, including performance management, risk management and the Council's Code of Corporate Governance. These reviews provide assurance that key policies and procedures are up to date; fit for purpose; effectively communicated; routinely complied with across the organisation; monitored and regularly improved.

4.5.3 <u>Compliance</u>

Compliance work is fundamental as it provides assurance across all Directorates and therefore supports the Chief Internal Auditor's annual. The proposed coverage for compliance is underpinned by an assessment of the Council's framework of controls (informed by policies and procedures) and includes those core areas where a high level of compliance is necessary for the organisation to carry out its functions properly. The work involves compliance checks across the organisation to provide assurance on whether the critical controls within the key policies and procedures are being routinely complied with in practice. This work will continue to challenge the existing controls to ensure that they are modern, effective and proportionate.



4.5.4 Value For Money

In order to address increased financial pressure on the organisation, the Council needs to ensure that it maintains a drive to achieve value for money across the entire organisation. Providing assurance over this area includes consideration of financial planning and regulation, major transformation and project management, and ensuring that outcomes are delivered as planned. In 2018/19, Internal Audit has carried out work to develop an assurance framework to identify and monitor the Council's most high-risk projects, and time was also been allocated in 2019/20 to further develop and embed this process across the Council. This work continues to ensure that good project management is embedded within the Council and that evidence is available that demonstrates that.

4.5.5 Commissioning and Contracts

Commissioning and contracts remains a key area of risk for the Council. Effective and proportionate contract monitoring is essential not only to ensure that expected outcomes are achieved, but also that the Council achieves good cost control; meaning that Cambridgeshire County Council (CCC) pays what it should, based on actual costs (or equivalent contract conditions). Higher-risk contracts have been selected for review, incorporating open-book assurance where possible, to ensure that these are operating in accordance with the terms of the contracts and value for money is being achieved by contract management activities. Work to examine the commissioning process as a whole is also included in this assurance block.

4.5.6 Anti-Fraud and Corruption

This is a high-risk area across the public sector. This includes both reactive and pro-active elements, along with initiatives to raise awareness of the council's antifraud and corruption culture and to report on the arrangements in place. In addition to the time allocation for fraud investigation work including the risk assessment process for referrals, the assurance block includes an allocation of days for pro-active fraud strategy work.

4.5.7 Key Organisational Risks and Director Requests

This section of the plan covers areas that have been identified as key organisational risk areas, by Internal Audit's risk assessment process and/or by individual Directors. This is delivered through both periodic reviews of risks and audit testing of that data as agreed with Joint Management Team (JMT) in 2019.

4.6 Information and Communications Technology (ICT) and Information Governance The ICT assurance block includes time for reviews of key ICT risk areas, as well as time for reviews of key risk areas around information governance and information security.



4.7 PLAN SUMMARY AND RESOURCES

- 4.7.1 In summary, the Audit Plan maintains a focus on risk-based and compliance audits as well as providing assurance on key financial systems. This reflects the need to focus on the management of emerging risks and to ensure the continued operation of key controls within the Council's governance arrangements, systems and processes.
- 4.7.2 The Audit Plan is proposed as 1,750 days, an increase of 200 days compared to the 2018/19 Plan. The additional 200 days have been allocated to the 'Commissioning & Contracts' assurance block, to allow audit review of a higher number of major corporate contracts and procurements and provide further assurance over this key risk area.

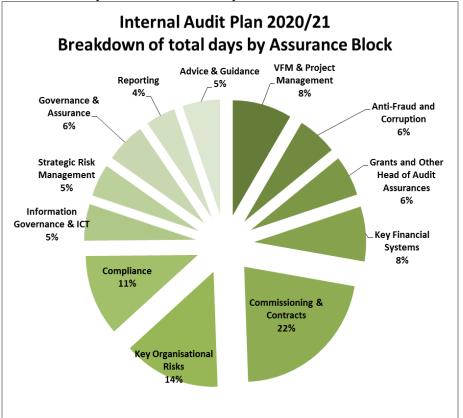
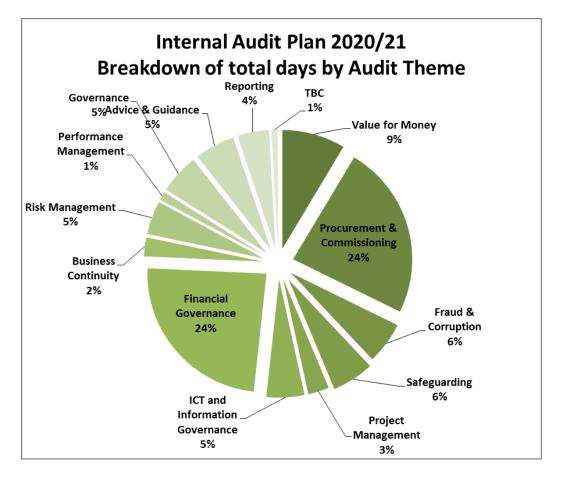


Table 1: Analysis of Audit Plan by Assurance Block



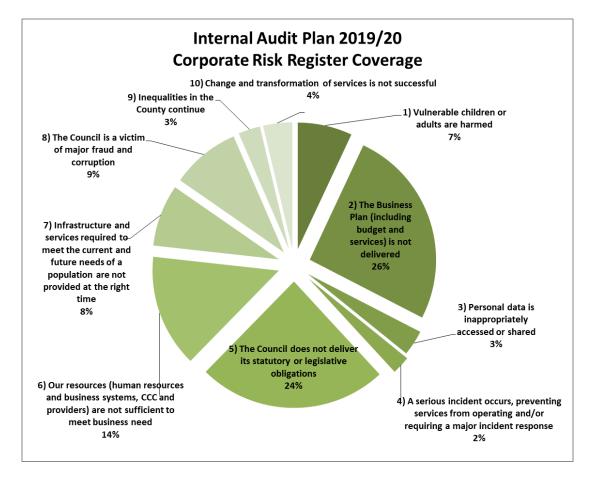
- 4.7.3 To help understand the breadth of audit coverage across the organisation, we have also broken the draft Plan down into organisational themes. This helps to demonstrate how the planned reviews will provide coverage of key organisational risk areas.
- 4.7.4 In particular, this analysis clearly demonstrates the overarching focus of the Plan on financial governance and procurement/contract management, while also providing coverage across broader risk areas.
- 4.7.5 The breakdown of the proposed Plan across is shown at Table 2 below:



For the public sector



4.7.6 Finally, the proposed Audit Plan has also been mapped against the Council's Corporate Risk Register, to ensure that it includes coverage of all key corporate risks. In conducting this mapping process, both the primary and secondary risk focus of each review has been taken into account as shown at Table 3 below:



4.8 CONCLUSIONS

- 4.8.1 The 2020/21 Audit Plan has used a risk-based approach to prioritising internal audit work and includes sufficient coverage to ensure an evidence-based assurance opinion on the control environment can be provided at the end of the year.
- 4.8.2 The Plan is responsive in nature and all efforts will be made to maximise coverage to provide the most effective and agile internal audit service possible that focuses on key risks facing the organisation throughout the year.
- 4.8.3 Progress against the plan will be monitored throughout the year and key issues reported to JMT and the Audit and Accounts Committee each quarter.



Key to Audit Plan

Directorates	
P&C	People and Communities
P&E	place and economy
CCS	Customer and Digital Services
BI&D	Business Improvement and Development
Other abbreviations	
FOI	Freedom of Information Request
PFI	Private Finance initiative
ICT	Information Communication Technology

Source Documents: None

CCC Draft Ir	nternal	Audit Plan 2020	/21			
Audit	Days	Theme	Qtr	Month	Directorate	
Value For Money including. Project Managememt						
In order to address increased financial pressure on the key 'value for money' risks which accompany major trai	-	-			ctive working ac	cross all services. This work provides cros
Investment Properties	10	Value for Money	Q2	July	Resources	Review of the Council's policy on investing to provide assurance that investments are
Embedding Project Assurance Framework	20	Project Management	Q1	Ongoing	BI&D	Work to embed the Council-wide projects assessed and the most high-risk projects h Finance or Transformation.
Project Assurance of High Risk Projects	50	Project Management	Q2	July	BI&D	Project assurance of high-risk projects by o
Total VFM & Project Management:	80					
Anti-Fraud and Corruption						
Allocation of time for risk assessment and investigation the control environment to reduce the risk of re-occurre	••	theft referrals. Should significa	nt fraud be	identified in-	year SMT will be	e consulted as to the best way to investig
Fraud Investigations	75	Fraud & Corruption	Q1	Ongoing	Cross-Cutting	Receive WB referrals and allocation of tim
Total Anti-Fraud and Corruption:	75			1		
Key Financial Systems						
Providing assurance that the Council has made arranged financial risk. These reviews give an opinion as to the ef- required to undertake these audits, whilst still giving ef-	fectiveness of	f financial management proce		-		-
Accounts Receivable	20	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial core systems, review scopes agreed with E
Purchase to Pay	20	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial core systems, review scopes agreed with E
Payroll	20	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial core systems, review scopes agreed with E
General Ledger	10	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial core systems, review scopes agreed with E
Bank Reconciliation	5	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial core systems, review scopes agreed with E
Treasury Management	10	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial core systems, review scopes agreed with E
VAT	5	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial core systems, review scopes agreed with E
Financial Systems IT General Controls	10	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial core systems, review scopes agreed with E
Debt Recovery	20	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial core systems, review scopes agreed with E

Why?

ss-cutting assurance over the management of

g in property and current Council-owned properties, e delivering their planned benefits.

assurance process, to ensure all projects are risknave a project assurance officer assigned from Audit,

designated Internal Audit project assurance officers.

gate as well as, where appropriate, how to improve

e to investigate alleged fraud or theft.

nd focus on the systems with the highest shared services ethos to minimise the resources

Systems conducting transactional testing across External Audit.

		1		1	1	1
Pensions	20	Financial Governance	Q3	December	Cross-Cutting	Annual assurance over LGSS Key Financial Systems, review scopes agreed with Externation Externation of the store of the systems of the store of the systems of the store of the systems of the system
Total Key Financial Systems:	140					
Grants and Other Head of Audit Assurances						
Provision of assurances over grant funding from centra via the normal reporting mechanisms.	l government	where a Head of Audit opinion is req	uired	l. These are ir	ncreasing in nur	nber each year, and SMT will be kept inforn
Additional Highways Maintenance Grant	5	Financial Governance	Q1	Мау	P&E	Grant certification required.
Local Transport Capital Block Funding	5	Financial Governance	Q2	July	P&E	Grant certification required.
Bus Service Operators	5	Financial Governance	Q2	July	P&E	Grant certification required.
Flood Resilience Fund	5	Financial Governance	Q2	July	P&E	Grant certification required.
Cambridgeshire Challenge Fund	5	Financial Governance	Q1	May	P&E	Grant certification required.
Cycle City Phase II	5	Financial Governance	Q2	September	P&E	Grant certification required.
Troubled Families Grant	40	Financial Governance	Q1	Ongoing	P&C	Grant certification required - monthly / quarter
SWIM Grant	5	Financial Governance	Q1	May	P&E	Grant certification required.
National Productivity Fund	5	Financial Governance	Q1	June	P&E	Grant certification required.
Disabled Facilities Grant	5	Financial Governance	Q1	May	P&C	Grant certification required.
Safer Roads Funding	5	Financial Governance	Q2	July	P&E	Grant certification required.
Pothole Action Fund	5	Financial Governance	Q2	July	P&E	Grant certification required.
Broadband Grant	5	Financial Governance	Q1	April	ccs	Grant certification required.
High Needs Block (Dedicated Schools Grant)	30	Financial Governance	Q2	July	P&C	Review of financial and operation performance robust and investment is effectively utilized to
Total Grants and Other Head of Audit Assurances:	130				•	
Commissioning & Contracts						
This is a key area of risk. Effective and proportionate con these contracts are achieved. Higher-risk contracts have money is being achieved by contract management activi	been selected	for review, incorporating open-book	assu	rance where p	oossible to ensu	re that these are operating in accordance wi
Procurement Governance	30	Procurement	Q3	September	Cross-Cutting	The Procurement service is coming back in-ho procedures governing procurement processes with procurement policies. Assurance over ris Council procurement.
Most Economically Advantageous Tenders	20	Procurement	Q1	Мау	Cross-Cutting	Review MEAT where lowest priced tender was quality. Review the appropriateness of specifi including rationale for award.
Highways Contract Open Book Review	50	Procurement	Q1	Ongoing	P&E	Final account open book review of the Highwa
					•	

ystems conducting transactional testing across
ternal Audit.
rmed of any new requirements arising in-year
rterly certification
nce to provide assurance that budget management is to drive service improvement
nditions) and that expected outcomes from with the terms of the contracts and value for from the Council's Contracts Register.
house to CCC. This review will cover policies and ses, and arrangements for monitoring compliance risk that best value is not being achieved across all
vas not succesfu I to assess the cost of additional ification, evaluation criteria (and compliance)

hways Contract, annual value c.£45m.

Waste PFI Open Book Review	40	Procurement	Q2	September	P&E	Final account open book review of the Waste
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te PFI Contract, annual value c.£22m.

Street Lighting PFI Open Book Review	40	Procurement	Q1	April	P&E	Final accounts open book review of the Stree
Contract Management - Cambridgeshire Energy Performance Contracting Project	30	Procurement	Q3	November	P&E	Review of contract management within the Ca project, which holds two major contracts with
Contract Management - Minor Works Framework	30	Procurement	Q1	April	Resources	Review of the controls and contract manager an annual value of £8m. The contract is due to will inform the procurement and management
Contract Management - Provision of Community Equipment Services	20	Procurement	Q1	Мау	P&C	Review of the controls and contract manager Community Equipment Services contract wit
Contract Management - Residential & Short Break Care for Children and Young People with a Disability		Procurement	Q2	July	P&C	This work will be undertaken in two tranches will be insourced so the first tranche of work final position. The second piece of work will new arrangements in place for Residential &
Contract Management - Public Transport, Park & Ride, and Guided Busway Contract	30	Procurement	Q1	June	P&E	Review of the controls and contract managem Guided Busway contract with an annual value March 2021 so any key findings will inform the
Contract Management - Integrated Drug and Alcohol Treatment System	30	Procurement	Q3	November	РН	Review of the controls and contract manag Drug and Alcohol Treatment System contract value of £4.875m.
Adults Social Care Commissioning Strategies	40	Procurement	Q3	November	P&C	Review of strategic planning for commissioni provide assurance that commissioning is pro be managed, and takes into account the coni
New Schools Building PFI	10	Procurement	Q2	August	P&E	Review of contract arrangements for new recovery in relation to energy rebates.
Light Blue Fiber	10	Procurement	Q3	October	P&E	Independent non-statutory review of their stakeholders.
Contract Management – CCS & Healthy Child Provision	20	Procurement	Q1	June	P&C	Review of the controls and contract manager deliver the CCS and Healthy Child provision for
Total Commissioning & Contracts:	420		<u> </u>	•	•	
Key Organisational Risks & Director Requests These are areas of risk specifically identified by director additional assurances. Assurance over key organisation Internal Audit opinion across the control environment.	-		•			
Rental Income	20	Value for Money	Q3	July	Resources	Follow-up review to assess progress after lim

eet Lighting Contract, annual value c.£8.12m.

Cambridgeshire Energy Performance Contracting th a combined annual value of £11m.

gement in place for the Minor Works Framework, with to expire at the end of March 2021 so any key findings nent of the new framework.

ement in place for the Provision of vith an annual value of £4.36m.

es. The contract is ending summer 2020 and the service k will be to review the contract closure procedures and Il take place in quarter 4 to provide assurance over the & Short Break Care for Children and Young people

ment in place for the Public Transport, Park & Ride and le of £3m. The contract is due to expire at the end of he procurement and management of the new contract

agement in place for the Cambridgeshire Integrated ct which was awarded in May 2018 and has an annual

ning and contracting across Adult Social Care, to pro-active, considers demand and how this may pridition of local markets.

v school builds with a focus on potential cost

ir financial accounts to provide assurance for

gement in place for the Section 75 agreement to for the Council.

areas where the Audit Committee require guested but will support the annual Head of

imited assurance reports in 2019/20.

Loans to External Organisations	5	Financial Governance	Q1	April	Cross-cutting	Review of the Council's policies on providing I policy in practice.
Capital Strategy	20	Financial Governance	Q2	September	Cross-cutting	Review of the Council's Capital Strategy, in lig Local Authorities to have a Capital Strategy in
Capital Project Variations and Overspends	20	Value for Money	Q2	August	Cross-Cutting	Review of a sample of capital projects which has to gain assurance over risk and issue manager identify any lessons learned for dissemination. capital programme.
Adult Skills	10	Performance	Q4	January	P&C	Review of the Adults Skills service delivery. Th arms-length delivery model during the year. T assurance that any arms-length management ensure effective service delivery.
Contingency for emerging areas during the year	5	ТВС	Q1	Ongoing	Cross-cutting	Contingency for any areas of particular concersuch work to be agreed with eh S151 Officer.

g loans to external organisations and compliance with

light of the CIPFA Prudential Code requiring in place from April 2019.

have experienced significant overspends or variations, ement, including the risk of over-specifying projects, and on. To include at least one project from the Schools

There is potential for this service to move to a more . This work will be undertaken in Q4 and seek to provide nt arrangements incorporate appropriate controls to

cerns/interest that arise during the year. Scope of any r.

Annual Safeguarding Assurance	25	Safeguarding	Q2	September	P&C	Annual assurance on safeguarding, guided by a arrangements for children and adults, including assurances received from third parties such as a
Adult Social Care Finance	20	Financial Governance	Q1	Мау	P&C	Assurance following the major restructure ar team, particularly reviewing invoicing proces management. Key contacts: Mark Gedney, Cl
Safeguarding the Assets of Clients in External Establishments	25	Safeguarding	Q3	September	P&C	To provide assurance that there are appropriate the service user and to ensure correct charge
Cambridgeshire County Council Client Monitoring Arrangements for This Land Ltd	75	Value for Money	Q3	October	Resources	A review to provide comprehensive follow-up the review of This Land Ltd in 2019/20.
LGSS Law	15	Financial Governance	Q3	November	Cross-cutting	A review to provide comprehensive follow-up the review of LGSS Law in 2019/20.
This Land Ltd	25	Governance	Q2	August	Cross-Cutting	To provide assurance that there are appropriatinterests and also to confirm the robustness of
Recruitment Processes in Children's Social Care	20	Safeguarding	Q2	August	P&C	Review requested by the Service Director for provide assurance that the process in place is only good-quality candidates are appointed,
Implementation of Liberty Protection Safeguards	20	Safeguarding	Q1	April	P&C	Review of readiness for the implementation previous Deprivations of Liberty Safeguards f Capacity (Amendment) Act 2019.
Social Care Transitions	20	Safeguarding	Q2	September	P&C	Review of service user transitions between cl a focus on providing assurance that processe
Other People & Communities Risk Based Audits	15	твс	Q1	Ongoing	P&C	Allowance of time for risk-based reviews, bas
Total Risk-Based Audits:	290					
Compliance Ken Policies and Presedures						
Compliance - Kep Policies and Procedures Compliance checks across the organisation to provide a the Council's framework of controls and findings from p			olicies	s and proced	ures are routine	l ly complied with in practice. Proposed cove
Key Performance Indicators	20	Performance	Q2	September	Cross-Cutting	Review of a sample of Key Performance In reported accurately in order to appropriately
Grants to Voluntary Organisations Policy Compliance	20	Financial Governance	Q2	August	Cross-Cutting	Review of compliance with the Council's Gran in 2018, to assess the financial governance an
Health, Safety & Wellbeing Policy Compliance	20	Safeguarding	Q3	November	Cross-Cutting	Review of compliance with key controls with
Procurement Compliance	20	Procurement	Q3	September	Cross-Cutting	2x reviews throughout the year of a sample of value is not being achieved across all Council p review will work backwards through the comm
Client Contributions Compliance	30	Financial Governance	Q2	July	P&C	Review to provide assurance that the Council is contributions where these have been assessed

y a review of assurances over the Council's safeguarding ng internal review processes, contractual assurances, and as Ofsted, peer reviews etc. and gap analysis work.

and centralisation of the Adults Social Care Finance esses, cost recovery and the link to debt Charlotte Black and Will Patten.

priate arrangements in place to safeguard the assets of ges are being made to the Council.

up on findings and implementation of actions following

up on findings and implementation of actions following

iate arrangements in place to safeguard the Council's of business case outcomes and decision making.

or Children & Safeguarding. This would aim to e is streamlined and sufficiently robust to ensure that d, as well as considering safe recruitment issues.

n of Liberty Protection Safeguards, replacing the s from October 2020 as a result of the Mental

child and adult services including LD, PD and LAC, with ses are streamlined and efficient.

based on discussions with Senior Management.

verage is underpinned by an assessment of

Indicators to confirm that they are calculated and ely inform decision-making.

rants to Voluntary Organisations Policy, launched and control over grant awards.

thin the Council's Health, Safety and Wellbeing Policy.

of invoices, to provide assurance over risk that best I procurement. Once invoices have been selected, the missioning process to confirm compliance and VFM.

I is effective in securing payment of client ed as being due for individuals in receipt of care.

Direct Payments Compliance	20	Value for Money	Q3	September	P&C	Sample testing of Direct Payments files to pro Payments are misused by service users or sul these effectively; and that surplus monies du
Unannounced Visits	20	Value for Money	Q2	August	Cross-Cutting	2 - 3 services will be identified in conjunction focusing on compliance with the Council's po finances and safeguarding risks, and providin
Fees and Charges Policy & Compliance	5	Value for Money	Q2	August	Cross-Cutting	Risk that new processes around setting fees a Council missing out on income or legislative r
Total Compliance:	155					
ICT and Information Governance						
Reviews of key risk areas around information governance	ce and inform	nation security, as well as coverage of	f key	ICT risk areas	such as major	I ICT failure.
Information Technology Audit Plan	70	ICT and Information Governance	Q1	Ongoing	Cross-Cutting	Information Technology Audit Plan to be targ key area of interest will be the project handli
Information Management Board	5	ICT and Information Governance	Q1	Ongoing	Cross-Cutting	Internal Audit attendance at Information Ma
Total ICT Audit:	75					
Strategic Risk Management						
Assurance over the Council's risk management framewo	ork in additio	n to support, advice and facilitation o	f stra	ntegic risk mo	nagement proc	resses.
Annual Assurance on Risk Management		Risk Management	Γ	January	Cross-Cutting	Maintaining the CRR, reporting to stakeholde the Council's Risk Management framework.
Strategic Risk Management Assurances	20	Risk Management	Q1	Ongoing	Cross-Cutting	Strategic reviews to assess the level of assurate the Council's top corporate risks and top dire
Risk Management	60	Risk Management	Q1	Ongoing	Cross-Cutting	Strategic risk management processes, worksl
Compliance - Corporate and Key Directorate Risks	45	Risk Management	Q1	Ongoing	Cross-Cutting	A programme of compliance checks on key con Directorate-level risks to provide assurance of complied with in practice. Each risk will be au
Total Risk Management:	130					
Governance and Assurance						
Assurance over core governance areas including effective elements of strong corporate governance.	ve key policies	s and procedures which drive the cult	ure a	nd risk appet	ite of the organ	isation; a comprehensive key performance
Annual Governance Statement/Code of Corporate Governance	15	Governance	Q3	November	Cross-Cutting	Annual Governance Statement/Code of Corp
Corporate Key Performance Indicator Framework	5	Performance	Q1	May	Cross-Cutting	Providing an annual assurance over the effect Performance Indicator framework.
Annual Key Policies & Procedures Review	5	Governance	Q1	April	Cross-Cutting	Following previous year audit reviews of core provide assurance that key policies are review
Equality Impact Assessments Compliance	20	Governance	Q3	November	Cross-Cutting	A new policy on Equality Impact Assessments Internal Audit have been requested to review
Schools Payroll and Safe Recruitment	35	Financial Governance	Q3	November	P&C	Annual assurance over schools payroll systen considering assurance available from schools and assurance available from the Schools Inte
Schools Causing Concern	5	Safeguarding	Q1	Ongoing	P&C	Audit attendance at Schools Causing Concerr
Annual Whistleblowing Policy Report and Awareness	15	Governance	Q4	January	Cross-Cutting	Work to review the whistleblowing policy, co the organisation, and produce the annual rep

provide assurance over the following risks: Direct subject to fraud; the Council does not monitor due for repayment are not identified.

on with senior managers, for unannounced visits policies and expectations for management of ling an appropriate deterrent to fraud.

es and charges are not followed, leading to the ve non-compliance.

argeted to the key areas of risk within the IT service. A dling the migration of the CCC data centre.

/lanagement Board.

ders and providing an annual assurance over

arance that can be provided over management of irectorate-level risks, on a quarterly basis.

kshops and reporting.

controls mitigating the Corporate risks and top 3 on whether critical controls are routinely audited once during the audit cycle.

ce indicator framework; and other key

rporate Governance.

ectiveness of the Council's corporate Key

pre policies and procedures, this review will iewed, updated and accessible to staff.

nts is being implemented in early 2020 and ew compliance with the policy.

ems and safer recruitment processing, ols payroll providers; sample testing of schools; ntervention Service and Finance teams.

ern group and ad hoc advice.

conduct awareness-raising activities across eport on whistleblowing cases.

CIPFA Financial Management code	10	Governance	Q2	July	Cross-Cutting	Internal audit input required for the impleme Management code
Contingency	30	Governance	Q1	Ongoing	Cross-Cutting	Contingency for potential work required thro the Councils Climate/Environmental strategie targets/key outcomes

mentation of the CIPFA Financial

roughout the year, for example: review of gies, policies and performance against related

140					
e 50	Advice & Guidance	Q1	Ongoing	Cross-Cutting	Providing support and guidance to staff on ad
5 5	Advice & Guidance	Q1	Ongoing	Cross-Cutting	Allowance of time to respond to FOI requests
s 45	Advice & Guidance	Q1	Ongoing	Cross-Cutting	Confirming agreed actions have been implem
100			•		
g 25	Reporting	Q1	Ongoing	Cross-Cutting	Reporting to Audit and Accounts Committee.
g 25	Reporting	Q1	Ongoing	Cross-Cutting	Reporting to SMT.
25	Reporting	Q1	Ongoing	Cross-Cutting	Development of the Internal Audit Plan and ir
75			•		
1775					
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ad-hoc queries.

ests received in-year.

emented to reduce key organisational risks.

in-year revisions/updates.

TITLE INTERNAL AUDIT PROGRESS REPORT

To: Accounts and Audit Committee

Date: 24th March 2020

From: Duncan Wilkinson, LGSS Chief Internal Auditor

1. PURPOSE

1.1 To report on the main areas of audit coverage for the period to 31st January 2020 and the key control issues arising since the last update provided to the Audit & Accounts Committee on 28th January 2020.

2. BACKGROUND

- 2.1 The role of Internal Audit is to provide the Audit Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
- 2.2 Cambridgeshire County Council (CCC) Joint Management Team (JMT) considered this report on 5th March 2020 prior to its submission to the Audit & Accounts Committee on 24th March.

3. **RECOMMENDATION**

The Committee is asked to note and comment on the report.

	Officer contact:	
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Tel:	01908 252089	

LGSS Internal Audit & Risk Management

Cambridgeshire County Council

Update report

As at 31st January 2020





Section 1

1. FINALISED ASSIGNMENTS

1.1 Since the previous Progress Report in January 2020, the following audit assignments have reached completion, as set out below in Table 1.

Table 1: Finalised Assignments

No.	Directorate	Assignment	Compliance Assurance	Systems Assurance	Organisation al impact
1.	LGSS	Administration of the Cambridgeshire Pension Fund	Good	Substantial	Minor
2.	Customer & Digital Services	Complaints Process	N/A	Satisfactory	Minor
3.	Customer & Digital Services	Cyber Security and PSN Compliance	Satisfactory	Satisfactory	Minor

- 1.2 Summaries of the finalised reports with satisfactory or less assurance are provided in Section 4.
- 1.3 The following audit assignments have reached draft report stage, as set out below in table 2:

Table 2: Draft Reports

No.	Directorate	Assignment
1.	LGSS	Procurement Governance
2.	LGSS	Procurement Waivers for Procurement outside of contract Procedure Rules
3.	LGSS	Procurement Compliance

1.4 Further information on work planned and in progress may be found in the Audit Plan, attached as Annex A.





Section 2

2. FRAUD AND CORRUPTION UPDATE

2.1 CURRENT INTERNAL AUDIT INVESTIGATIONS:

A summary of the current open investigative caseload of the Internal Audit team is provided below at Table 3. This includes investigations relating to suspected theft, fraud or misuse of funds, which are led by Internal Audit, which the Internal Audit and Counter Fraud team has worked on since the start of the 2019/20 financial year (i.e. some cases may have first been reported in the previous financial year and some will be included in the figures in table 4 below).

Case Category	Description of activity or risk example	No.	Outcomes to date
	FACT Investigation	1	Ongoing support to post- report process.
	Allegations of fraud	8	4 Internal Audit reviews underway, three police referrals, one HR referral.
	Manor Farm review	1	In progress
	Allegations regarding misuse of a Direct Payment		Investigation in progress.
Investigations	Governance	1	Ongoing Internal Audit investigation
	Suspected bank mandate fraud at a school	1	Advice provided.
	Information Security	1	Investigation in progress
	Blue Badge cases	6	Investigation in progress
Totals		20	

Table 3: Internal Audit Investigations Caseload

2.2 WHISTLEBLOWING CASELOAD:

A summary of the 2019/20 whistleblowing referrals is provided below. A high volume of whistleblowing referrals has been received in-year, with 36 referrals (including blue badge





cases) received to date, a significant increase on previous years. For context, in 2018/19, Internal Audit recorded a total of 19 referrals for the entire financial year.

Please note that the table below includes cases which were initiated as whistleblowing cases to Internal Audit, but have subsequently been passed to HR or another appropriate service to investigate/address under the relevant corporate policy (for instance, corporate complaints or grievance cases).

Case Category	Description of activity or risk example	No.	Status
	Complaints	2	Closed – passed to services (below investigation threshold)
	Allegations of fraud	4	Closed – no major concerns or further action needed after initial review
		8	Open
	Allegations of theft	2	Closed – low level cases, advice provided, one police referral
Whistleblowing	Allegations relating to governance	1	Closed – review found no basis for the allegation
		1	Open
	HR issues (grievance, disciplinary, etc.)	1	Closed – instigation concluded no wrongdoing
		2	Open
	Information Security concerns	1	Open
	Safeguarding allegations	1	Closed – no action required as issue already identified through Ofsted and plans in place to address
		6	Open
	Blue Badge cases	7	Closed – including 2 successful prosecutions
		36	

Table 4: Whistleblowing Caseload





3. IMPLEMENTATION OF MANAGEMENT ACTIONS

- 3.1 The outstanding management actions as at the end of January 2020 are summarised in Table 4 below, which includes a comparison with the percentage implementation from the previous report (bracketed figures).
- 3.2 There are currently 19 management actions outstanding. Further detail on all outstanding actions is provided at Annex B.

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
Implemented	1	1% (1%)	64	76% (79%)	65	77% (81%)
Actions due within last 3 months, but not implemented	0	0% (0%)	7	8% (14%)	7	8% (14%)
Actions due over 3 months ago, but not implemented	0	0% (0%)	12	14% (5%)	12	14% (5%)
Totals	1		83		84	

Table 5: Outstanding Management Actions (Year To Date)







4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE

4.1 RESOURCES DIRECTORATE

4.1.1 Complaints Process

This audit was undertaken to provide assurance as to the adequacy of the process for managing complaints. There is no corporate complaints policy and procedures defining the Council's approach to and the sequence of steps to be followed in handling customer complaints. Instead, a Corporate Complaints Leaflet with minimal details was in place that did not cover an end to end complaints process. This in part led to undocumented local procedures having been developed in each directorate with inconsistences and a lack of clarity amongst directorates processes, including: record keeping; complaint acknowledgement; follow ups; escalations; and reporting.

Satisfactory assurance was given in part as the Council had already recognised that the lack of a central complaints policy could have an adverse impact on the efficient and effective management of complaints. To address this, a Feedback Policy (including compliments and suggestions) has been drafted and is under review. In addition, plans were already underway to develop and implement a digital complaints management solution to provide efficient and consistent management of complaints across the Council.

A review of the draft Feedback Policy found it to cover key areas but that it would be necessary to be supplemented by complementary detailed guidance on the end to end complaints process, including use of the new digital complaints solution. Accordingly, recommendations were agreed to launch the Feedback Policy and digital complaints solution at the earliest opportunity and to develop detailed guidance to support effective and efficient complaints management.

It was also noted that there was no complete or consistent reporting arrangements in place across Directorates and that where management reporting arrangements were in place, they were time consuming manual processes. Accordingly, the Council as a whole did not have a complete oversight of complaints/complaints processes. Recommendations have been made to implement Council wide monitoring and reporting utilising the soon to be implemented digital complaints solution.





4.1.2 Cyber Security and PSN Compliance

This audit was undertaken to provide assurance as to the adequacy of the Council's Cybersecurity arrangements. The benchmark used for the audit was the National Cyber Security Centres (NCSC) "10 steps to Cyber Security". The 10 steps have been endorsed by the Ministry of Housing, Communities & Local Government

Satisfactory assurance was given as the Council has a Public Sector Network (PSN) certificate in place. PSN certification is the means by which a local authority demonstrates to central government that its security arrangements, policies and controls are sufficiently rigorous for the local authority to interact with the PSN and those organisations connected to it. The PSN process includes obtaining a health check from a recognised provider which includes network penetration testing. Having PSN certification in place also provides assurance to the Council in four of the "10 steps to Cybersecurity" areas. These are: Network Security; Removable Media Controls; Secure Configuration; and Managing User privileges

Positive assurance was also provided by the personal data risk on the Corporate Risk Register. This includes mitigating controls relevant to cyber security such as mandatory security training for all staff.

A number of control weaknesses were identified during the audit. These being addressed through the following recommendations:

- The Council should develop a wider Cyber Security Policy in addition to the LGSS E-Safety Policy. This should outline the Councils approved approaches to cyber security, its ongoing security control framework and how it safeguards the Council from the threat of cyber attacks. It should also provide an overarching governance policy for the protection and security of Council information and data.
- A number of information technology and data policies examined require a full review and possible update to reflect the latest position of the Council in these areas.
- The Council should develop and approve a full Mobile and Home Working Policy that should include information on cyber security.
- The Council should prepare risk appetite statement for cyber security that should set out the level of risk they are able to accept when implementing new initiatives.
- The Council should review the use of personal email accounts by IT users and how this may impact on information security policies and practices.



Section 5



5. OTHER AUDIT ACTIVITY

5.1 DEVELOPMENT OF THE AUDIT PLAN 2020/21:

Internal Audit has developed a draft Internal Audit Plan for the 2020/21 financial year. This work includes identifying areas for review through:

- Consulting with individual Directors and Directorate Management Teams.
- Gathering intelligence from the outcomes of audit reviews in 2019/20.
- Identifying major corporate contracts due for review.
- Assessing areas of coverage which were deferred from the 2019/20 Plan.
- Identifying key legislative changes which may impact the Council in the coming year.

Areas for review identified as a result of these processes have been risk-assessed and prioritised for inclusion in the 2020/21 Plan based on the level of risk associated with them.

JMT approved the plan on 21st February 2020. The Plan will be presented to Audit & Accounts Committee for review on 24th March 2020.

6. INTERNAL AUDIT RESOURCES

The Shared Service model is resourced across the 3 'owners' of LGSS with staff employed by CCC, MKC and NCC but who may work exclusively or in part for other IA clients. Specialist IA skills are delivered across the shared service including IT Audit, Risk Management and Fraud (investigation and pro-active).

The CCC IA plan proposes 1,750 days to meet Public Sector Internal Audit Standards of coverage. The 20/21 plan is supported by:

(1) Shared service support including:

- Chief Internal Auditor leadership and management
- IT Audit : approx. 25 days from MK team
- Risk : 25 days from Risk lead
- Fraud : 25 days from NCC team

(2) CCC focussed posts providing 1,660 audit days @ 90% productivity:

• Head of Audit (East)





- Audit Manager (currently on Maternity Leave)
- 3 x Principal Auditor posts (1 currently vacant)
- 2 x Senior Auditor posts
- 3 x Associate Auditor (Trainee) posts (1 currently vacant)

Current vacancies / absences reduce the total available resource by 485 days. The service does benefit from Graduate Finance Trainee roles (2 posts) however these are currently just being appointed and are considered to contribute more productivity than required to train and develop them only after 9-12 months.





ANNEX A

CCC INTERNAL AUDIT PLAN 2019/20

Summary of Progress:

Total Completed Audits from 2019/20 Audit Plan	19
Total Audits at Draft Report Stage	3
Total "Ongoing" Work	11
(i.e. which does not have a specific end date, but will close at the end of the financial year)	
Total Open Audits	35
Total Not Yet Opened Audits	9

Full Audit Plan:

Audit	Status	Quarter Opened	Quarter Closed
VAT	NOT OPENED		
Unannounced Visits	OPEN	Q3	
Development of Project Assurance Framework	ONGOING	N/A	N/A
Project Assurance of High Risk Projects	OPEN	Q2	
Business Continuity	CLOSED	Q1	Q3
Financial Planning, Demand Management and Control	NOT OPENED		
Contract Management - Eastern Highways Alliance	OPEN	Q2	
Contract Management - Home and Community Support Service Framework	OPEN	Q2	
Contract Management – Supported Living Services for Adults with a Learning Disability	OPEN	Q2	
Contract Management - Cambridgeshire Lifestyle Services	OPEN	Q1	
High Value Supplier Contract Management Reviews	OPEN	Q2	
Business Continuity for Key Contracts	OPEN	Q2	





Contract Management Policy and Guidance	OPEN	Q2	1
Transformation Fund Benefits Realisation	OPEN	Q2 Q2	
	OPEN	Q2 Q3	
Annual Key Policies & Procedures Review			
Procurement Governance	OPEN	Q2	
Procurement Compliance	OPEN	Q2	
Procurement Waivers for Procurement Outside Contract Procedure Rules	OPEN	Q3	
Consultancy Policy Compliance	OPEN	Q3	
LGSS Law Ltd	OPEN	Q1	
Regulation of Investigatory Powers Act Policy Compliance	CLOSED	Q2	Q3
Property Asset Disposals & Acquisitions Policy Compliance	OPEN	Q3	-
County Farms Process & Practice	OPEN	Q1	
Fire Safety Checks	CLOSED	Q1	Q3
Residential & Nursing Contract Management	OPEN	Q1	
Rental Income	CLOSED	Q1	Q3
This Land Limited	OPEN	Q1	40
Annual Whistleblowing Policy Report and Awareness	OPEN	Q3	
Direct Payments - Prepayment Cards	OPEN	Q2	
Troubled Families Grant	ONGOING	Q1	N/A
Disabled Facilities Grant	CLOSED	Q1	Q3
Special Educational Needs Placements	OPEN	Q2	45
Annual Safeguarding Assurance	OPEN	Q2	
Provision of Section 17 Financial Assistance	OPEN	Q1	
Safeguarding Clients' Personal Assets - Compliance	OPEN	Q2	
Highways Stage 1 Open Book Review (Client)	CLOSED	Q1	Q2
Highways Commercial Group	ONGOING	Q1	N/A
Highways Contract Stage 2 Open Book Review (Contractor)	OPEN	Q3	
Highways Contract Governance Processes	OPEN	Q1	
			N1/A
Waste PFI Renegotiation of Contract	ONGOING	Q1	N/A
Local Transport Capital Block Funding	CLOSED	Q1	Q2
Bus Service Operators	CLOSED	Q1	Q1
Pothole Action Fund	CLOSED	Q1	Q2
Cycle City Phase II	CLOSED	Q1	Q2
Safer Roads Funding	CLOSED	Q1	Q2
Chisholm Trail 19 - 20	OPEN	Q2	ļ
Coroners Service	OPEN	Q1	
Additional Highways Maintenance Grant	CLOSED	Q1	Q1
Complaints Process	CLOSED	Q3	
Accounts Receivable	OPEN		





I		
OPEN		
CLOSED	Q1	
NOT OPENED		
OPEN	Q1	
CLOSED	Q3	Q4
OPEN		
CLOSED	Q2	Q3
NOT OPENED		
NOT OPENED		
ONGOING	Q1	N/A
OPEN	Q1	
OPEN	Q1	
CLOSED	Q1	Q2
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ANNEX B

Summary of Outstanding Recommendations – under 3 months

(Recommendations as at the end January 2020).

Audit	Risk level	Summary of Recommendation	Target Date	Status
18/19 Ely Bypass Review	1	Limits on Delegated Authority Consideration should be given to whether the Constitution should be adapted to incorporate limits to delegating authority away from Committees, particularly when there are significant financial implications.	31/10/19	The Service Director, Highways and Transport, has met with the Monitoring Officer and it has been agreed that the Service Director will develop a report to be taken to the Constitution and Ethics Committee for consideration. In order to allow for the development of this paper and to align with Committee meeting dates, a revised target date of 30 th April 2020 has been agreed. Revised target date: 30th April 2020
Accounts Receivable 18/19	Ι	Suspense Items Review and Develop Targeted Communications The Head of Finance Operations should consider undertaking a review of suspense items to establish if there are particular services whose customers consistently fail to provide the required reference numbers. If such services are identified the AR Team should liaise with those services in order to develop communication plans to help educate customers and ensure they provide accurate reference numbers.	30/11/19	Services have been identified and new processes are being put in place to streamline allocations. Engagement with services is ongoing. AR led training sessions have been held for Financial Business Partners, Budget Holders, Treasury and HR to give a better understanding of the AR processes. Customers (internal and external) are informed to use the correct references when Income are chasing allocation information and lists to identify services that would benefit from targeted training are to be developed. Revised target date: 31st March 2020





Accounts	1	Cleanse of Supplier Database	31/12/19	A report has been developed to identify EDD Cold
Payable 18/19		A review should be undertaken to identify any multiple supplier accounts that may exist twice in error rather than as required. For any such cases identified the second supplier account should be deleted. This will further reduce the risk of duplicate payments occurring and make supplier maintenance and creditor analysis more efficient in the future.	31/12/19	A report has been developed to identify ERP Gold suppliers that have not been used for 18 months. NCC and CCC have agreed that Accounts Payable proactively delete as they see fit but MKC wanted to review the data. This was sent to the Finance Performance Manager in November 2019. Accounts Payable received confirmation of the first tranche of suppliers that can be deleted on 24 January 2020.
				In advance of the deleting suppliers, the AP Service are undertaking an exercise to identify all open purchase orders relating to those suppliers so that these can be closed on bulk. This needs to be done prior to supplier deletion. Good progress is being made and the expectation is that all open purchase orders will be closed by the end on March 2020. Work can then commence to delete the relevant suppliers.
				However, there are some supplier accounts that need to be merged rather than deleted. At present the functionality does not exist to allow for supplier accounts to be merged without the supplier history being deleted. The Head of Service has raised the inability to properly merge suppliers with the system provider and is working with them to arrange operational user groups to push through developments as this is functionality. This may take some time as it is dependent on the system provider introducing new functionality. Accordingly the revised target date is an estimate. The Head of Service notes that in the meantime the risk of duplicate payments occurring due to multiple suppliers is





			largely mitigated by the Fiscal software.
			Revised target date: 31 st July 2020
19/20 Fire Safety Checks	The Property Compliance Team does not have a complete list of buildings and sites that the Council is responsible for regarding Fire Risk Assessments (FRA's): The Property Compliance Manager should ensure that a review is undertaken to identify a complete list of all properties for which the Council is required to undertake FRA's. This should include properties: • owned by the Council and that house Council employees; • owned by the Council and that house non-council employees; and • not owned by the Council but that are occupied by Council staff The review should utilise the recently developed master list and establish for which properties the Council has a legal responsibility to undertake FRA's and ensure that all such properties are added to the Compliance Team's schedule for undertaking FRA's. If any such properties identified have not had an FRA in the last three years, the Property Compliance Team Manager should ensure that a FRA is undertaken as a matter of priority.	31/12/19	The Interim Head of Property confirmed a definitive list has now been completed (1070 properties) and provided the categorised summary to Internal Audit (IA). It is acknowledged that this needs to be a live document that is continually updated as the portfolio changes. This has been provided to the Compliance Manager who has reviewed each property to ascertain what responsibility the Council has in relation to fire safety for that property. 118 properties have been identified. There are a further 20 properties for which clarification on the lease and ownership details is required before fire safety responsibility can be confirmed. The Compliance Manager has requested this clarification from Estates. Work to programme in any FRAs required or obtaining existing documentation from landlords/owners is progressing but cannot be confirmed as fully complete until responsibilities for the properties mentioned above is established.



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				Revised target date: 31 st March 2020
19/20 Fire Safety Checks		Remedial action is not carried out within the timescales of the FRA's: The Head of Property should ensure that an urgent review is undertaken to identify any cases where recommended actions from FRA's have not been implemented. A programme of work should be developed to: • Identify the most urgent/highest priority outstanding actions. • Schedule work and activity to implement the outstanding actions based on priority ratings. • Obtain evidence in any cases where it is considered the action has been implemented e.g. the required certification. All outstanding actions from this review should be implemented as a matter of significant priority to mitigate the level of risk as early as possible. Regular monitoring should be undertaken to ensure that all actions identified in FRA's are being progressed to ensure timely implementation, and to highlight any cases where remedial work is behind schedule and where additional resources may be required to expedite implementation.	31/12/19	The compliance team are developing a building audit programme to commence in March 2020 part of which will include the monitoring that fire remedial work has have been completed. A review of the current outstanding recommended actions recorded on the Facilities Management Team's spreadsheet has been undertaken and the Compliance Manager has assessed these as representing a low risk. Scheduling the work required to complete these recommended actions is ongoing. Revised target date: 30 th April 2020
19/20 Fire Safety	1	There is not an adequate process for recording and monitoring remedial actions:	31/12/19	The planned estate management system should address the issues highlighted here but the





Checks		The Head of Property should ensure that a new central, overarching process is developed to ensure all remedial actions recommended in FRA's are recorded and monitored in detail, including: • The exact nature of the action required • The priority/risk rating of the action • The date the FRA was completed • The date the FRA was completed • The date implementation is required • Who is assigned to undertake the required action e.g. external contractor or internal team/officer. • Responsibility for this new process should be clearly assigned to a specific officer. It would also assist in timely implementation of actions if who needs to be engaged to undertake the required work was also recorded against each action e.g. external contractor or internal team. The new process should include close liaison with the Compliance Team and regular checks should be conducted to ensure all actions from FRA's have been recorded. The Compliance Team currently record all actions from the FRA they have undertaken in detail and this spreadsheet should be useful in developing the new process. In addition, the Head of Property should investigate whether there are any value for money software solutions that would provide a robust and efficient tool for managing FRA's and the implementation of remedial actions that could be utilised by both the Compliance Team and Facilities Management.		Interim Head of Property confirmed a realistic implementation date for this would be September 2020. In the interim the current spreadsheet is to be updated with the required information below: The exact nature of the action required The priority/risk rating of the action The date the FRA was completed The date implementation is required Who is assigned to undertake the required action Work to ensure the spreadsheet is updated to record all actions from FRAs is ongoing. Revised target date: 30 th April 2020
19/20 Fire Safety	1	Detail on FRA's remedial actions and implementation are not reported: Detailed information on remedial actions and	31/12/19	The Compliance Manager confirmed he reports any risk issues to the various boards/groups and





Checks	implementation of those actions should be reported to the Head of Property on a regular basis. Monitoring	that the boards/groups have confirmed they do not require additional information.
	recommended at 4.2 would support this reporting. The Head of Property to formally ask HASCAM, the Strategic Health, Safety and Wellbeing Group, the Corporate Health Safety and Wellbeing Group and the Section 151 Officer if they also require this information to allow for independent monitoring and challenge and highlight any significant risks identified from FRAs.	The Interim Head of Property confirmed he meets regularly with The Compliance Manager to discuss any issues. A high level summary of remedial actions implementation stats was discussed as a beneficial addition to these meetings but this would be dependent on the above matters being addressed. Revised target date: 30th April 2020





Summary of Outstanding Recommendations – over 3 months

(Recommendations due as at the end January 2020).

Audit	Risk level	Summary of Recommendation	Target Date	Status
Fostering Contract Management		Overpayments to Level 6 Carers: Review the payments to establish whether they are reasonable and in line with policy, and whether placements represent value for money in terms of the costs paid per child. Update records and inform the Business Systems teams of any decisions regarding the relevant placements, ensuring that any decision to continue with varying the usual terms of the foster carer scheme, if it is confirmed as being value for money, are fully documented with a clear approval from the Head of Service.	31/05/19	The Service are not approving any further level 6 carer households and are reviewing existing arrangements. Their view, although they are waiting for confirmation from legal, is that it is unlikely to be possible to seek repayments of funds paid - but they are continuing to make enquiries about this, based on what was originally agreed. Current level 6 arrangements are likely to be allowed end naturally as placements come to an end, so as to not cause negative impact on children placed. The service are working an all areas and aim to have completed these by April 2020.
Fostering	1	Double paying for home-to-school transport:	01/10/19	Revised target date: 30 th April 2020 The service need to consider the consequences
Contract Management 18/19		Establish a suitable fee reduction to ensure travel costs are not paid for twice, and publish this clearly as part of fee negotiation guidance. Before negotiations for a contract start, it should be fully established whether the child is eligible under the home to-school transport assistance policy and the fee reduction should be agreed accordingly. Guidance should be updated to state that every contract should include a note re: how Home to School transport and transport to contacts is funded, and that this should also be noted on the placement plan. Given the values involved, consideration should be given to calculating the potential over payments made in previous years to inform a decision as to whether or not		of aligning levels of payments across Cambridgeshire and Peterborough. It is anticipated that this will bring a lot of advantages - joint recruitment as well as opening up joint training and support possibilities which they cannot do at present as allowances are different. An area of complication is that the way in which allowances are allocated to particular tasks - like home to school transport - is different in the two authorities and so it is not just adjusting the headline payments that needs to be considered. The service are working an all areas and aim to have completed these by April 2020





Management 18/19	these sums should be recovered.		Revised target date: 30 th April 2020
b	 Performance Management Framework: The Performance Management Framework should be updated as soon as possible to reflect the current Council structure (at Member and Directorate level), including: The role of shared services with Peterborough City Council and if there is a case for aligning performance management processes and/or KPIs. A corporate strategy to guide the development and regular review of KPIs, based on the Plan > Do > Review > Revise approach. Reference to data quality and good practice in the calculation of KPIs. A process for remedial action where the achievement of outcomes is threatened, considering possible links to the Transformation Team. Clarifying roles and responsibilities of officers and members, particularly in relation to the calculation, reporting and monitoring of KPIs. Documentation of responsibilities will also ensure that continuity is not lost in the event of Member or staff changes or restructures. Aligning standardised processes across directorates. 	11/10/19	New standardised performance management framework developed with Chairs and Vice Chairs of all committees. KPIS linked to Corporate Strategy 2019-22 and Service Committee priorities. KPIs checked and refined with all committees through first quarter reporting. Very positive feedback from Members and Officers on performance reporting which supports decision making. Second quarter reporting in December committees has suggested a few additional tweaks to process and reports. Each KPI has a linked Committee, business owner and allocated BI, service and Finance support. Committee performance reports publish to website in Q1 and Q2. Revised target date 31st March 2020
	Key Performance Indicators in Corporate & Customer	11/10/19	Risk and performance workshop with BID DMT
18/19	Services, Resources and Business Improvement Directorates The Business Intelligence service has confirmed that KPIs in place within the Corporate & Customer Services,		and Audit 9th December 2019. Risks agreed, KPIs suggested. Risk register went to GPC in November 2019.





		Resources and Business Improvement directorates are in the process of being reviewed and aligned to the new corporate strategy. This will address the issue identified. When the review of KPIs from the Corporate & Customer Services, Resources, and Business Improvement and Development directorates is complete, these KPIs should be considered for inclusion in the Council-wide objective- based reporting.		Updated risk register and performance report on GPC agenda for March 2020. Revised target date 31 st March 2020
Information Governance Policies	M	Asset management policies and procedures: A complete physical asset register, listing the council staff member responsible for the asset should be created If assets are not managed or lost there is a risk of data breaches occurring (and not identified) leading to reputational or financial damage.	30/09/17	The proposal is now to use existing ERP functionality to hold IT asset information on an employee's record. IT would then be able to use this information to ensure IT equipment is handed back as part of the leaver process, saving money. The project proposal is now awaiting a Business Analyst to become available to undertake a detailed requirements analysis and process review in order to develop an options appraisal and outline Business Case. The project is provisionally scheduled to commence in early 2020. Revised target date: 31 st March 2020
Fostering Contract Management	1	No control process to identify errors in in-house payments: Create a payment policy document that clearly sets out the different scenarios that occur and how they are paid for, such as: respite breaks, children going to university, level 6 carers with a staying put placement etc. Include details about IFA carers transferring to in-house, and the fee agreements relating to children already in place.	01/07/19	The systems and processes to avoid over payment of carers are receiving considerable focused attention. The service have appointed a new business support officer with a finance focus who maintains an over view and check all financial systems and as from 1st April 2020 an automated payment system (CONtRocc) should be in place which should remove human error in relation to payments. The Service are working an all areas and aim to have completed these by April 2020.





				Revised target date: 30 th April 2020
Transport Contract Management	1	 Financial processes: A full financial processes review should be conducted by the SETT in conjunction with the Professional Finance team. This should include immediately ensuring that payments made via interface spreadsheet are linked to a SWIFT ID or other relevant identifier. The review should also ensure that interface payments are being used in the most efficient manner, reducing the amount of duplicate entry required and the risk of human error occurring in the payments. And in the longer term: Developing a new commitment record spreadsheet for adults and LAC transport, which contains all journeys and client information. Reinstating the use of Purchase Orders and receipting for the payment of all SETT invoices, in line with the Scheme of Financial Management. 	31/07/19	Internal Audit have met with Finance colleagues to discuss progress. The review of adults transport has grown in scope from that originally envisaged by the audit. A planning meeting is taking place, after which a firmer timeline and scope will be known. Internal Audit were informed this is progressing with monthly meetings in place. A new target date of 31 July 2020 was given. Revised target date: 31st July 2020
Accounts Receivable 18/19	1	Aged Suspense Items: Aged items should be subject to a targeted review and if they cannot be allocated to invoices they should be removed from suspense and allocated to a fortuitous income code in the same way that suspense items from legacy systems have been.	30/09/19	A new process has been developed that will ensure any suspense item not allocated after 6 months in suspense will be removed from the suspense account and journaled to a fortuitous income code. This process includes a check list developed to ensure that items will only be removed from suspense after being subject to rigorous investigations, including liaison with Corporate Finance. The first batch of data for CCC was reviewed by a Financial Business Partner and has been moved from the suspense account to the new fortuitous





				income code on 27-01-2020 Internal Audit will confirm that the Cambridgeshire element of this has been implemented as part of the AR audit taking place in February/March 2020 Revised target date 28 th February 2020
Accounts Receivable 18/19	1	 Suspense Reporting: Suspense account reporting should be provided to clients on a regular agreed basis and should include: All suspense accounts for each client. Volumes and values of new suspense items. Volumes and values of items cleared from suspense. Volumes and values of aged suspense items. Performance against agreed KPIs. 	30/09/19	Suspense reports are now provided to clients with more detailed data in relation to suspense items. Reports are also now provided to the Head of Finance and Finance Business Partners. The AR Team are reporting that this recommendation is now implemented. Internal Audit will review supporting evidence to confirm that this has been implemented as part of the AR audit taking place in February/March 2020 Revised target date 28th February 2020
Debt Recovery 18/19	1	Write Off Workflow: Investigations into the root cause and potential fixes to address the issue of write offs being processed without appropriate authorisations in the system should be completed as a matter of priority. Any fixes identified or new processes developed should be robustly tested before implementation on the live system.	30/09/19	There is currently a review of all debt recovery processes, including write offs. As such, the work to identify a fix for the existing workflow has been put on hold until the process review is complete. This is because the review may result in a new workflow and write off process being developed within the system. In the interim, a bulk write off process has been implemented. This will be utilised until the development freeze in ERP has ended. The Debt Recovery Service are exploring the options during this downtime so that a solution can be agreed
				Revised target date 31 st March 2020





Debt Recovery 18/19	1	Write Off Reconciliation report: Debt Recovery Managers should liaise with Business Systems Team to develop a reconciliation report within the system to identify any write offs that have not been properly authorised, processed and updated on the General Ledger.	30/09/19	This work is on hold until the review noted above is complete and the ERP development freeze has ended. The Debt Recovery Service are exploring the options during this downtime so that a solution can be agreed Revised target date 31st March 2020
Debt Recovery 18/19	1	Review of Potential Write Offs:The Debt Recovery Team should undertake a review of potential write offs covering:• debts currently proposed for write-off;• debts over 12 months old to establish any cases where recovery activity has been exhausted and that therefore should be written off.Any debts that are identified as suitable for write off should be sent to budget holders for approval and written off in ERP as a matter of priority.The approval requirements for write offs within the Debt Recovery Service should be agreed and implemented within ERP as a matter of priority so that the appropriate officers can process any proposed write offs in a timely manner. This is essential to ensuring that the system controls over write offs are implemented as designed and complied with in practice. This should include the process by which budget holders may request write-off of a debt which should be communicated to budget holders.	30/09/19	There is currently a review of all debt recovery processes, including write offs. Agreement on approval requirements will be considered as part of this review. The review may result in a new workflow and write off process being developed within the system and this may necessitate a different/more efficient authorisation process than that originally designed. In the interim, a bulk write off process has been implemented. The first bulk write offs have now been undertaken. Once the process review noted above and the recruitment freeze in ERP is lifted the approval workflows in ERP will be agreed. Revised target date 31st March 2020

Source Document: none

AUDIT AND ACCOUNTS COMMITTEE FORWARD AGENDA PLAN

MEETING DATE REPORT DEADLINES AND REPORT TITLES	Frequency of report	Corporate/Service Director /external officer responsible	Report author					
COMMITTEE DATE 2.00 P.M. TUESDAY 2nd JUNE 2020								
Deadline for reports to be with Democratic Services: Mid-day Thursday 21 st May 2020								
Debt Collection Update	Update	LGSS Head of Revenues and Benefits	Robin Bates					
Statement of Accounts Process – Action / Improvement Plan	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer / Strategic Finance Manager - Corporate Finance	Tom Kelly, Ellie Tod / Michelle Parker					
Section 106 Update Report	Annual	Deputy Section 151 Officer	Tom Kelly					
Performance Report Quarter 3	Quarterly	Head of Business Intelligence	Tom Barden					
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes Committee or was	Chief Finance Officer	Tom Kelly / Rebecca Barnes					

	going the same day		
Safer Recruitment in Schools Update	Tri-annual Termly	Senior Education Adviser	Diane Stygal
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Each meeting other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	Head of Internal Audit / Audit and Risk Manager	Neil Hunter
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	Duncan Wilkinson / Ro Sanderson Cllr Shellens / Cllr Rogers
COMMITTEE DATE 2.00	P.M. TUESDAY 1	l6 th June 2020	
Deadline for reports to be with Democratic Services: Mid-day Wednesday 3 rd June 2020			
Draft Accounts 2019-2020	Annual Report	Head of Finance	Tom Kelly / Ellie Tod / Michelle Parker
Annual Risk Report	Annual Report	Head of Internal Audit	Neil Hunter
Annual Whistle Blowing Report	Annual Report	Head of Internal Audit / Audit and Risk Manager	Neil Hunter
Annual Governance Statement	Annual Report	Head of Internal Audit / Audit and Risk Manager	Neil Hunter

Internal Audit Annual Report	Annual Report	Head of Internal Audit / Audit and Risk Manager	Neil Hunter
Quarterly Report in respect of Consultancy expenditure and compliance with the Policy (may not be required)	Quarterly Report requested at the November 2018 meeting	HR/ Procurement	Sarah Haig
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	Duncan Wilkinson / Ro Sanderson Cllr Shellens / Cllr Rogers

COMMITTEE DATE 2.00	COMMITTEE DATE 2.00 P.M. THURSDAY 30 th JULY 2020			
Deadline for reports to be with Democratic Services: Mid-day Friday 17 th July 2020				
Performance Report Quarter 4	Quarterly	Head of Business Intelligence	Tom Barden	
Transformation Fund Monitoring Report Quarter 4	Quarterly	Head of Transformation	Kelly Allen	
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes Committee or was going the same day	Chief Finance Officer	Tom Kelly / Rebecca Barnes	
Internal Audit Progress Report Including Progress of	Each meeting	Head of Internal Audit /	Neil Hunter / Mairead	

Implementation of Management Actions and Internal Audit Plan Update) Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	Audit and Risk Manager	Claydon
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	Duncan Wilkinson / Ro Sanderson Cllr Shellens / Cllr Rogers
COMMITTEE DATE 2.00 P.M	. TUESDAY 22nd SE	PTEMBER 2020	
Deadline for reports to be with Democratic Services: Mid-day Wednesday 9 th September 2020			
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes Committee or was going the same day	Chief Finance Officer	Tom Kelly / Rebecca Barnes
Quarterly Report in respect of Consultancy expenditure and compliance with the Policy (may not be required)	Quarterly Report requested at the November 2018 meeting	Head of People / HR/ Procurement	Martin Cox / Sarah Haig
Transformation Fund Monitoring Report Quarter 1	Quarterly	Head of Transformation	Kelly Allen

Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Each meeting other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	Head of Internal Audit / Audit and Risk Manager	Neil Hunter / Mairead Claydon
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	Duncan Wilkinson / Rob Sanderson Cllr Shellens / Cllr Rogers
SPECIAL COMMITTEE DATE FOR ACCOUNTS SIGN OFF FRIDAY 30 TH OCTOBER			
ISA 260 Report	Annual Report with the Accounts	Ernst Young External Auditor	Mark Hodgson
Final Accounts Moved from the 16 th June meeting	Annual Report	Head of Finance and Deputy Section 151 Officer / Strategic Finance Manager for Corporate Finance	Tom Kelly / Ellie Tod
COMMITTEE DATE 2.00 P.M. TUESDAY 24 th November 2020			
Deadline for reports to be with Democratic Services: Mid-day Wednesday 11 th November 2020			
Statement of Accounts Process – Action / Improvement Plan	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer / Strategic Finance	Tom Kelly, Ellie Tod

		Manager - Corporate Finance	
Transformation Fund Monitoring Report Quarter 2	Quarterly Update	Head of Transformation	Kelly Allen
Performance Report Quarter 1	Quarterly	Head of Business Intelligence	Tom Barden
Resources Report	Each Cycle - would always be one that had already been through General Purposes Committee or was going the same day	Chief Finance Officer	Tom Kelly / Rebecca Barnes
Quarterly Report in respect of Consultancy expenditure and compliance with the Policy (May not be required)	Quarterly Report requested at the November 2018 meeting	Head of People / HR/ Procurement	Martin Cox / Sarah Haig
Safer Recruitment in Schools Update	Tri-annual Termly	Senior Education Adviser	Diane Stygal
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update)	Each meeting other than the meeting when the IA Annual Audit	Head of Internal Audit / Audit and Risk Manager	Neil Hunter / Mairead Claydon
Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Plan Report (March) is received or the special meeting to consider the draft accounts (June)		

Agenda Plan COMMITTEE DATE 2.00 I Deadline for reports to be with Democratic Services: Mid-day Wednesday 13 th January 2021	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing January 2021	Duncan Wilkinson / Rob Sanderson / Cllr Shellens / Cllr Rogers
Statement of Accounts Process – Action / Improvement Plan	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer / Strategic Finance Manager - Corporate Finance	Tom Kelly, Ellie Tod
Performance Report Quarter 2	Quarterly	Head of Business Intelligence	Tom Barden
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes Committee or was going the same day	Chief Finance Officer	Tom Kelly / Rebecca Barnes
Quarterly Report in respect of Consultancy expenditure and compliance with the Policy (may not be required)	Quarterly Report requested at the November 2018 meeting	Head of People HR/ Procurement	Martin Cox / Sarah Haig
Safer Recruitment in Schools Update	Tri-annual Termly	Senior Education Adviser	Diane Stygal

Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Each meeting other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	Head of Internal Audit	Neil Hunter / Mairead Claydon
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	Duncan Wilkinson / Ro Sanderson Cllr Shellens / Cllr Rogers
COMMITTEE DATE 2.00	P.M. TUESDAY 23rd	March 2021	
Deadline for reports to be with Democratic Services: Mid-day Wednesday 10 th March 2021			
Statement of Accounts Process – Action / Improvement Plan	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer / Strategic Finance Manager - Corporate Finance	Tom Kelly, Ellie Tod
Whistle Blowing Annual Review	Annual	LGSS Head of Internal Audit / Audit and Risk Manager	Neil Hunter / Mairead Claydon
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes	Chief Finance Officer	Tom Kelly / Rebecca Barnes

	Committee or was going the same day		
Quarterly Possibly Annual Report in respect of Consultancy expenditure and compliance with the Policy	Quarterly Report requested at the November 2018 meeting	HR/ Procurement	Sarah Haig
Safer Recruitment in Schools Update	Tri-annual Termly	Senior Education Adviser	Diane Stygal
Transformation Fund Monitoring Report Quarter 3	Quarterly Update	Head of Transformation	Kelly Allen
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update)	Each meeting other than the meeting when the IA Annual Audit	LGSS Head of Internal Audit / Audit and Risk Manager	Neil Hunter / Mairead Claydon
Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Plan Report (March) is received or the special meeting to consider the draft accounts (June)		
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	Duncan Wilkinson / Ro Sanderson Cllr Shellens / Cllr Rogers
COMMITTEE DATE 2.00	P.M. TUESDAY 1 st	JUNE 2021	
Deadline for reports to be with Democratic Services: Mid-day Wednesday 19 th May 2021			
Statement of Accounts Process – Action Plan Update	Monitoring each	Head of Finance and	Tom Kelly / Ellie Tod

	meeting	Deputy Section 151 Officer	
Section 106 Update Report	Annual	Deputy Section 151 Officer	Tom Kelly
Performance Report Quarter 3	Quarterly	Head of Business Intelligence	Tom Barden
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes Committee or was going the same day	Chief Finance Officer	Tom Kelly / Rebecca Barnes
Safer Recruitment in Schools Update	Tri-annual Termly	Senior Education Adviser	Diane Stygal
Internal Audit Progress Report (Including Progress of Implementation of Management Actions and Internal Audit Plan Update) Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Each meeting other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	LGSS Head of Internal Audit / Audit and Risk Manager	Neil Hunter / Mairead Claydon
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman	Duncan Wilkinson / Ro Sanderson Cllr Shellens / Cllr Rogers

		briefing	
MEETING DATE REPORT DEADLINES AND REPORT TITLES	Frequency of report	Corporate/Service Director /external officer responsible	Report author
COMMITTEE DATE 2.	⊥ 00 P.M. TUESDAY J	ULY 2021	
Deadline for reports to be with Democratic Services:			
Final Accounts	Annual	Head of Finance and Deputy Section 151 Officer	Tom Kelly Ellie Tod
Performance Report Quarter 4	Quarterly	Head of Business Intelligence	Tom Barden
Transformation Fund Monitoring Report Quarter 4	Quarterly Update	Interim Head of Transformation	Julia Turner
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes Committee or was going the same day	Chief Finance Officer	Tom Kelly
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Each meeting other than the meeting when the IA Annual Audit Plan Report (March) is received or the	Head of Internal Audit / Audit and Risk Manager	Neil Hunter / Mairead Claydon

Agenda Plan	special meeting to consider the draft accounts (June) Each meeting	Chief Internal Auditor /	
		Democratic Services / Chairman and Vice Chairman in a Chairman briefing	
Quarterly Report in respect of Consultancy expenditure and compliance with the Policy	Quarterly Report requested at the November 2018 meeting	HR/ Procurement	Martin Cox / Sarah Haig
COMMITTEE DATE 2.00 P.M. TUESDAY SEPTEMBER 2021			
Deadline for reports to be with Democratic Services:			
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes Committee or was going the same day	Head of Finance	Tom Kelly / Rebecca Barnes
Quarterly Report in respect of Consultancy expenditure and compliance with the Policy (may not be required)	Quarterly Report requested at the November 2018 meeting	Head of People / HR/ Procurement	Martin Cox / Sarah Haig
Transformation Fund Monitoring Report Quarter 1	Quarterly	Interim Head of Transformation	Julia Turner
Internal Audit Progress Report Including Progress of	Each meeting	Head of Internal Audit /	Neil Hunter / Mairead

Implementation of Management Actions and Internal Audit Plan Update) Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)	Audit and Risk Manager	Claydon
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	
COMMITTEE DATE 2.00 Deadline for reports to be with Democratic Services:	P.M. TUESDAY NOV	EMBER 2021	
Safer Recruitment in Schools Update	Tri-annual Termly	Senior Education Adviser	Diane Stygal
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes Committee or was going the same day	Head of Finance	Tom Kelly / Rebecca Barnes

Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update) Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Each meeting other than the meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to	Head of Internal Audit / Audit and Risk Manager	Neil Hunter / Mairead Claydon
	consider the draft accounts (June)		
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	
COMMITTEE DATE 2.00	P.M. TUESDAY JAN	UARY 2022	•
Deadline for reports to be with Democratic Services:			
Statement of Accounts Process – Action Plan Update	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Tom Kelly
Quarterly Report in respect of Consultancy expenditure and compliance with the Policy (may not be required)	Quarterly Report requested at the November 2018 meeting	HR/ Procurement	Martin Cox / Sarah Haig
Safer Recruitment in Schools Update	Tri-annual Termly	Senior Education Adviser	Diane Stygal
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit Plan Update)	Each meeting other than the meeting when the IA Annual Audit	Head of Internal Audit / Audit and Risk Manager	Neil Hunter / Mairead Claydon
Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Plan Report (March) is received or the		

	special meeting to		
	consider the draft		
	accounts (June)		
Agenda Plan	Each meeting	Chief Internal Auditor /	
		Democratic Services /	
		Chairman and Vice	
		Chairman in a Chairman	
		briefing	
COMMITTEE DATE 2.	00 P.M. TUESDAY M	arch 2022	
Deadline for reports to be with Democratic Services:			
Statement of Accounts Process – Action Plan Update	Monitoring each	Head of Finance and	Tom Kelly
	meeting	Deputy Section 151 Officer	,
External Audit Annual Plan	Annual	Ernst Young	Mark Hodgson
Integrated Finance Monitoring Report	Each Cycle -	Head of Finance	Tom Kelly / Rebecca
	would always be		Barnes
	one that had		
	already been		
	through General		
	Purposes		
	Committee or was		
	going the same		
	day		
Quarterly / Annual? Report in respect of Consultancy	Quarterly Report	Head of People HR/	Martin Cox / Sarah Haig
expenditure and compliance with the Policy	requested at the	Procurement	
······································	November 2018		
	meeting		
Internal Audit Progress Report Including Progress of	Each meeting	Head of Internal Audit /	Neil Hunter / Mairead
Implementation of Management Actions and Internal Audit	other than the	Audit and Risk Manager	Claydon
Plan Update)	meeting when the		,
. ,	IA Annual Audit		

Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	Plan Report (March) is received or the special meeting to consider the draft		
Agenda Plan	accounts (June) Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	
COMMITTEE DATE 2.	00 P.M. TUESDAY J		
Deadline for reports to be with Democratic Services:			
Statement of Accounts Process – Action Plan Update	Monitoring each meeting	Head of Finance and Deputy Section 151 Officer	Ellie Tod / Michelle Parker
Section 106 Update Report	Annual	Deputy Section 151 Officer	
Performance Report Quarter 3	Quarterly	Head of Business Intelligence	Tom Barden
Integrated Finance Monitoring Report	Each Cycle - would always be one that had already been through General Purposes Committee or was going the same day	Head of Finance	Tom Kelly / Rebecca Barnes
Safer Recruitment in Schools Update	Tri-annual Termly	Senior Education Adviser	Diane Stygal
Internal Audit Progress Report Including Progress of Implementation of Management Actions and Internal Audit	Each meeting other than the	Head of Internal Audit / Audit and Risk Manager	Neil Hunter / Mairead Claydon

Plan Update) Relevant officers to attend the Committee to be invited by Head of Internal Audit where management actions have gone beyond the next agreed target date	meeting when the IA Annual Audit Plan Report (March) is received or the special meeting to consider the draft accounts (June)		
Agenda Plan	Each meeting	Chief Internal Auditor / Democratic Services / Chairman and Vice Chairman in a Chairman briefing	

REPORTS TO BE PROGRAMMED AS CURRENTLY STILL THE SUBJECT OF ONGOING INVESTIGATIONS / ADDITIONAL WORK REQUIRED

	Council's previous Externa	I Lisa Clampin
BDO External Audit Final report on investigations into	Auditors - BDO	
challenges to the 2016/17 and 17-18 Accounts		

FACT, HACT and ESACT Recovery of Monies This may require a separate confidential appendix as it may contains business sensitive information for the Council and other parties	One-off Report	Chief Finance Officer / Service Director Highways and Finance	Chris Malyon / Graham Hughes
County Farms Tenancy Audit	One off Report	Head of Internal Audit / Audit and Risk Manager	Neil Hunter /

Manor Farm Tenancy Investigation (May have a confidential appendix to be confirmed)	One off investigation	Head of Internal Audit / Audit and Risk Manager	Neil Hunter

Update 2 3RD March 2020