

Executive Director's Assurance Report: Finance and Resources

To:	Audit and Accounts Committee
Meeting Date:	23 July 2025
From:	Executive Director of Finance and Resources
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	Not Applicable
Executive Summary:	The purpose of this report is for the Executive Director of Finance and Resources to provide assurance to the Audit and Accounts Committee that a sound system of internal control is in place and operating effectively for their areas of responsibility. This will support the delivery of the key functions of the Audit and Accounts Committee, in line with the Committee's Terms of Reference.
Recommendation:	This is an information-only report. The Committee should consider the assurance provided over the adequacy of the Council's control environment and compliance with corporate governance controls.

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1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 The purpose of this report is for the Executive Director of Finance and Resources to provide assurance to the Audit and Accounts Committee that a sound system of internal control is in place and operating effectively for their areas of responsibility. The report will also update the Committee on the implementation of planned actions to further strengthen arrangements for governance, risk and control, and the outcomes of whistleblowing referrals in the Directorate.
- 1.2 This will support the Audit & Accounts Committee to deliver the following key functions within the Committee's Terms of Reference:
- Monitor the effectiveness of the system of internal control, including arrangements for internal audit, external audit, financial management, ensuring value for money, risk management, governance, assurance statements, supporting standards and ethics, and managing the authority's exposure to the risks of fraud and corruption.
 - Provide independent assurance of the adequacy of the risk management framework and the associated control environment.
 - Review compliance with the relevant standards, codes of practice and corporate governance policies.
- 1.3 As such, this will support the delivery of all seven of the Council's ambitions as set out within its Strategic Framework.

2. Background

- 2.1 The Council is required to include an Annual Governance Statement (AGS) as part of the Annual Statement of Accounts. The AGS is an important statutory requirement which enhances public reporting of governance matters. It should therefore be honest and open, favouring disclosure.
- 2.2 A key element of developing the AGS is the preparation of self-assurance statements by all directors, as a formal assurance from those managers who have responsibility for the development, implementation and maintenance of the governance environment.
- 2.3 These assurance statements require Executive Directors to:
- confirm that they have obtained assurance from their service directors on the key elements of risk and control systems for which they are responsible.
 - confirm that all significant internal control matters brought to their attention have been or are being properly dealt with.
 - confirm that the risks and internal controls for which they are responsible have been sufficiently addressed in order to provide reasonable assurance of effective financial and operational control, compliance with the Code of Corporate Governance and with other laws and regulations; and

confirm that to the best of their knowledge, these arrangements have been complied with in all material respects throughout the period.

- identify any exceptions to the above and/or any significant governance issues¹ the Executive Director is aware of, and how these are being addressed.

3. Highlights from the Annual Governance Statement

- 3.1 In the Annual Governance Statement action plan there is reference to Council owned companies and there has been significant focus on both financial and governance work this year including advising the Shareholder Sub Committee which exercises the shareholder function for the Council's companies. Finance and Resources have also supported the training of councillors in a range of areas from cyber security to rural farms and from treasury management to procurement. Similar training has also been provided to officers across the Council. Finance have also supported the Guided Busway court case and fine.
- 3.2 Looking forward, the Directorate will be heavily engaged in AGS actions for 2025/26 around This Land, the Waste PFI, Pension Pooling, Local Government Reorganisation.

4. Overall Control Environment

Section 151 Officer

- 4.1 As the Council's Section 151 Officer I have duties set out by statute, and within our constitution. I am a member of the Chartered Institute of Public Finance and Accountancy (CIPFA) and must comply fully with its code of practice and responsibilities. A key part of discharging my duties is through advice to councillors within reports to Committees and Council, including regular budget monitoring and an assessment of the Council's financial sustainability. I work alongside my fellow governance and service statutory officers, in particular regularly meeting the Head of Paid Service and Monitoring Officer to consider matters of governance.

Finance and Procurement

- 4.2 Finance and Procurement are instrumental in supporting and strengthening the council-wide control environment. Procedures and rules for the governance of both are set out in the Council's Constitution at G5 to G7:
- [G5 \(Financial and Contract Procedure Rules\)](#) - introduction to the scheme of financial management and contract procedure rules.
 - [G6 \(Scheme of Financial Management\)](#) - regulations to ensure the proper administration of the Council's financial affairs.
 - [G7 \(Contract Procedure Rules\)](#) - regulations to ensure procurement activities are carried out in a fair, open, transparent, proportionate and non-discriminatory manner.
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- 4.3 The council has had regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code and Standards in designing and implementing its approach to strategic and operational financial management and reporting. The leadership team considers the council's management accounts monthly, alongside performance, risk, and internal audit reporting to ensure financial control and value for money. These are also reported to service committees and overall to the Strategy, Resources and Performance Committee.
- 4.4 The control environment has been strengthened in the last 12 months through the Finance and Transparency Panel (FTP), established since December 2024 to focus on improvements in:
- financial and procurement reporting,
 - skills and capabilities of budget managers, and
 - challenging directorates to account for their spending decisions
- 4.5 Part of this review has introduced a corporate Our Conversations target relating to delivering value for money through everyone's roles. To support this there are proposals to further improve the scheme of responsibilities to cover all staff. This will be further considered by the Constitution and Ethics Committee and then Council.
- 4.6 Part of the operation of the service, Financial Transactions and Insurance, are carried out through a shared service arrangement with a number of other local councils (West Northamptonshire, North Northamptonshire, Bedford and Milton Keynes). These services are subject to joint governance and are subject to internal audit and performance reviews.
- 4.7 The Procurement and Commercial Service has led the response to the Procurement Act 2024, and implementation of improvements in controls needed over the last 12 months. The Asset and Procurement Committee have received reports on corporate breaches of contracts as well as improvements in controls. There will be an Annual report to the Committee in September 2025 covering the activity and future improvements, as well as regular breach reporting. The team are also supporting the Commercial and Commissioning Change Board, challenging various areas of spend with a view to drive improvement in practices as well as savings.

Property

- 4.8 Property Services have led the Corporate Landlord model that has improved data, control and responsibility for our land and buildings. A Land and Property Strategy was approved by Committee in March 2024 and there is clear reporting of performance to both senior officers and Councillors. The service supports and leads on many aspects of the Asset Improvement Change Board that is responding to shaping the Council's asset holdings now and going forward.
- 4.9 In addition, the Property service facilitates the weekly and monthly reporting to the Corporate Leadership team on building related Health and Safety matters, which is also reported to the Assets and Procurement Committee.

Customer and Digital Services (CDS)

- 4.10 CDS operate under Public Services Network (PSN) accreditation obtained from Government. The PSN is a high-performance network used by various public sector organisations in the UK. It connects entities such as ours and other local councils, government departments, emergency services, and educational institutions. The PSN enables these organisations to work together more efficiently, share resources, and reduce duplication. The Council has a range of cyber controls in place and has recently undergone a peer review, for which feedback is awaited.
- 4.11 The Council also has a series of policies in place to protect our systems and equipment, as well as guide managers as to the controls operating over the access and use of our equipment. These are supported by other policies led by the Strategy and Partnerships Directorate, such as Data Protection and Information Management.
- 4.12 Customer Services operate a range of contact centre services as first point of contact, and have policies in place for dealing with customers, including customer handling and complaints policies. There is regular monitoring of performance to senior officers and councillors.

Pensions

- 4.13 The Council is also the lead body for the Cambridgeshire Pension Fund which is administered through West Northamptonshire Pension Fund team, although the Committees and Board are also supported by the Council's Finance officers. System and process are set out within the Fund's Administrative Strategy and the controls that operate across this Fund are audited and reported to the Pension Committee and Board.
- 4.14 All this activity, led by Finance and Resources, contributes to the Council's control environment and we have seen improvements in a number of these areas over the last year.

5. Outstanding Audit Actions

- 5.1 A full list of all outstanding actions for Finance and Resources as at 30 June 2025 is attached at Appendix 2. Given the nature of work and risk there are typically more audit actions relating to these types of services. A number of actions for this Directorate still relate to recommendations raised more than 12 months ago, however these are being addressed with urgency and it is hoped there will be none reported to this Committee at its next update.
- 5.2 Of the outstanding actions over 12 months, the following comments are noted:

Recommendation	Progress
<ul style="list-style-type: none"> An Insurance Strategy is developed to provide a clear framework for the service goals and objectives. 	A Strategy is in draft awaiting sign off
<ul style="list-style-type: none"> The Claims Handling Manual should be updated following implementation of an Insurance Strategy. 	A draft Handling Manual is awaiting sign off.
<ul style="list-style-type: none"> The Head of Finance Operations should decide if debt recovery procedures should be amended to reflect the current practice. 	The write off process will go live shortly for CCC.
<ul style="list-style-type: none"> A review of suppliers in ERP should be undertaken to identify any instances where the supplier record on ERP Gold is set up for both commercial and non-commercial payments and only one is appropriate. 	Change request submitted and hopeful to complete shortly.
<ul style="list-style-type: none"> IT Problem management procedures should be amended to incorporate a number of improvements identified. 	Procedures amended and awaiting sign off as complete by Internal Audit.
<ul style="list-style-type: none"> A more detailed major incident response plan should be developed and incorporated into procedures. 	This is in progress and action is expected to complete before next Committee.
<ul style="list-style-type: none"> SMART KPIs and Critical Success Factors for Problem Management should be developed and included in procedures. 	KPIs have been drafted and will be reviewed when the problem management process matures. Awaiting sign off by Internal Audit
<ul style="list-style-type: none"> New classification should be introduced in Hornbill that allow for incidents to be clearly identified and reported on. 	Changes due to take place imminently and will work with Internal Audit to sign off ahead of the next Committee.
<ul style="list-style-type: none"> A set of documented procedures should be formulated for the asset valuations process, including a number of audit recommendations. 	A process has been prepared and used in closedown of the 2024/25 Accounts. A meeting is being arranged to close this recommendation with Internal Audit's sign off on evidence.

5.3 The Finance and Procurement Service are also tasked with a number of external audit recommendations and a separate update on those actions is discussed elsewhere on the same agenda as this paper.

6. Whistleblowing, Complaints and Inspections

Whistleblowing

6.1 No whistleblowing disclosures have taken place within the Directorate.

Complaints

6.2 Within Finance and Resources the total number of complaints received in 2024/25 and in quarter 1 of 2025/26 are listed below.

Stage 1

- 16 customer services relating to Blue Badge applications and the contact centre not working

Stage 2

- 4 Blue Badge applications

Stage 3

- One for Property Services

Inspections

6.4 Finance and Resources have been subject to one audit and one peer review over recent months. In September 2024 the Department for Works and Pensions carried out an audit to gain assurance that data shared between the Council and DWP was being securely managed. The findings of that audit were reported to the Council in February 2024 and identified a small number of areas for improvement:

- Work with one supplier to ensure system encryption
- To ensure document classification is consistent and follows guidance
- Consider technical bars to prevent people using DWP systems when working abroad
- Introduction of a single DWP mailbox to be regularly monitored.

All of these actions have been addressed.

6.5 In June 2025 the Council welcomed a Local Government Association peer review looking at our arrangements for cyber security. The findings from this review are yet to be received but will be reported to Committee with any action plan regarding improvements.

7. Appendices

7.1 The following appendices are attached to this report:

- Appendix 1 – Executive Director of Finance and Resources Annual Assurance Statement 2024/25.

- Appendix 2 - Audit Actions Overdue in Finance and Resources as at 30 June 2025

8. Source Documents

8.1 None