

AUDIT AND ACCOUNTS COMMITTEE: MINUTES

Date: 15th March 2016

Time: 2.00 – 5.00 p.m.

Place: Room 128, Shire Hall, Cambridge

Present: Councillors: S Crawford, R Henson, P Hudson, M McGuire, M Shellens, (Chairman) and J Williams

Apologies: Councillor Peter Topping

Action

194. DECLARATIONS OF INTEREST - None

195. MINUTES

The minutes of the meeting held on 26th January 2016 were confirmed as a correct record and were signed by the Chairman. It was agreed to review the action log at the end of the meeting.

196. TOTAL TRANSPORT PILOT

At the last meeting there was a request for an invitation to be extended to the Chairwoman of the Total Transport Member Steering Group, overseeing the project to provide a brief update on progress.

Further to this, Councillor van de Ven was welcomed to the meeting and provided a short introduction explaining that it was early days for the Project which included undertaking a pilot financed from a £460,000 Government grant. In order to provide the Committee with background information, the agenda included the same report which had been presented that morning to the General Purposes Committee.

Toby Parsons the Transport Policy and Operational Projects Manager presenting the report indicated that the General Purposes Committee had agreed to support the introduction of a Total Transport Service pilot area in the northern part of East Cambridgeshire centred on Ely and including both Soham and Littleport from September 2016 subject to:

- a) The outcome of a public consultation inviting views on the detailed proposals.
- b) A formal procurement exercise to establish the exact cost of delivering the new service (only a best estimate could currently be provided as providers would be asked for different options)

It was explained that the proposal for a new Total Transport Service comprised four elements: fixed bus routes, a flexible minibus service, a social car scheme and a booking and information centre with the detail explained and as set out in the report. The savings target being sought was between 10-15% of current spend, with other aims being to achieve

greater efficiency from the use of existing vehicles and to obtain, where possible, some improvements in existing service provision.

Questions / issues raised included:

- Asking why there was no mention of the experience of South Cambridgeshire's mini bus service which had been operating during the mid-day period and which had resulted in a very poor uptake, with the Member asking what made the officers think they could do better. It was explained that the Council was looking at transport where there was already client demand (for example those with accessibility needs) rather than just targeting those who use a public transport option.
- The same Member highlighting that the County Council was one of the few that did not currently allow the public to buy spare seats on schools buses. In response it was indicated that a recent survey undertaken had found a surprisingly high percentage of people against the idea, with over 90% against use on primary school transport and 75% against on sharing secondary school transport.
- There was a query whether the proposals would result in the need for additional staff where greater use was proposed of existing vehicles during off peak periods and whether there would be also be job losses where routes were to be discontinued. In response it was explained that officers had made clear to bus operators in the pilot area that some contracts would be terminated, which would see a small reduction in vehicles. This however was not expected to affect employment, as many of the operators were already having trouble recruiting staff.
- What the risks were in respect of sharing vehicles on school runs? These had been identified as being at the end of a school run where a pupil might be the only one on the bus. However all named drivers and their relief drivers were DBS checked to reduce such risks and would be followed up as part of random checking exercises to ensure only those cleared by such checks were being used. The risk was small, but obviously could never be 100% guaranteed. As a follow up, a question was raised regarding whether consideration for increasing safeguarding to allay parents fears could be given by including a conductor also being on a bus. In response it was indicated that this had been looked into and had an estimated average cost of about an additional £40 a day which for all routes would equate to an additional third of a million pounds cost and would be a decision for Members to decide if this was value for money.
- In response to questions on the provision of school transport to meet demand from new build schools, it was clarified that the statutory requirement still remained for the Council to provide home to school transport based on nationally-set criteria (of which the distance to school was the starting point).

- On a question regarding post 16 provision (which was no longer to be provided) and possible purchase of seats, it was confirmed that as an example in the pilot area for Ely College, if there were spare seats, then these would be considered for purchase for over 16 pupils. Connections (even with more than one minibus) could be provided from rural areas to Ely Station, for example running before and after school runs as they would be charged for, could be a potential income generator.
- In reply to a question of what would happen if no bids were received, this was seen as being unlikely, as operators had been consulted regarding routes to be the subject of tenders to ensure there was a market.

In noting the report the Member and officer were thanked for the excellent work already undertaken.

197. INTERIM REPORT ON WORKFORCE STRATEGY

Following a request at the previous meeting, Martin Cox LGSS Head of People presented a short update report on progress on the development of a Workforce Strategy. He explained that following approval of the Council's Budget for 2016-17, Strategic Management Team (SMT) in consultation with the General Purposes Committee, were currently reviewing the future direction of the organisation.

Current work aimed to identify the requirements needed to be able to implement the new operating model and transformation agenda to help determine both the workforce skills and knowledge required, and the support to be provided. Once this work had been completed, the Strategy could then be further developed, with the current expectation being that progress could be reported by May.

Paragraph 2.4 of the report listed a number of other key development projects that had been undertaken in recent months to support the workforce.

Questions raised included:

- asking for an estimate of the current workforce, for which the response was five and a half thousand staff.
- The Chairman commented that in the current financial climate and with the ongoing devolution discussions, it was inevitable that the workforce would further reduce, which would need to be sensitively managed, whilst also needing to look to retain the staff with the right skills and knowledge. The latter while a challenge, was already being addressed, partly through the revised appraisal scheme. This had now been in operation for two years and was recognising and rewarding the high achievers.

It was resolved:

to note the update and receive a further progress report at the June meeting.

M. Cox

CHANGE IN THE ORDER OF THE AGENDA

As the Interim Head of Internal Audit was required at a meeting of the Audit Committee in Norwich later that afternoon it was agreed that the following report would be taken next in the order of the agenda.

198. DRAFT 2016-17 INTERNAL AUDIT PLAN

An earlier version of the report had been e-mailed to members of the Committee the previous week after the despatch of the original agenda. A revised version, including an appendix which had only been agreed by Strategic Management Team (SMT) the previous day, was made available in member pigeon holes earlier in the day with spare copies made available at the meeting.

it was explained that the new Plan which had been developed in consultation with SMT was based on assurance blocks that each provided 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 had been developed to provide an effective annual assurance opinion and added value to the organisation.

The Audit Plan was intended to remain dynamic in nature and to be reviewed and re-aligned on a regular basis to take account of new, emerging and changing risks and priorities with resources then re-prioritised towards the areas of highest risk. The intention would be to report to Audit & Accounts Committee every quarter. **Action: to add to Work Programme**

**RVS /
NH to
agree
dates
for Plan**

The key audit themes proposed were detailed in paragraph 1.5 of the report with the summary of the Draft Plan for 2016-17 as set out below which outlines the allocation of days across the various assurance blocks:

Assurance Block	2016/17 Plan	
	Days	% of total assurance days
Making Every Penny Count	200	13%
Anti-Fraud and Corruption	175	11%
Key Financial Systems	135	9%
Grants and Other Head of Audit Assurances	55	4%
Procurement	135	9%
Risk Based Audits	200	13%

Policies & Procedures	60	4%
Compliance	160	10%
ICT and Information Governance	40	3%
Schools	125	8%
Strategic Risk Management	75	5%
Governance	25	2%
Advice & Guidance	165	11%
Total Assurance Days	1550	100%

Questions raised included:

- The Chairman highlighted that there had been a decrease in the number of audit days of 15% compared to the previous year and asked at what level of decrease would Internal Audit no longer be able to provide reasonable assurance linked to the cuts still required in future years. The response was that the figure of 1550 days was considered to be the limit to be able to demonstrate value for money and that a third less resources would find the service struggling and would not allow it to have flexibility to take on new risks. This could also lead to an increase in fraud as fewer assurance days would be provided and require a greater reliance on External Audit which could add to cost.
- There was discussion in respect of agency staff and the need to ensure framework contracts were employing the right people at the right price. Chris Malyon indicated that a policy had been agreed to reduce the number agency staff employed by the Council and that the Procurement Team were currently undertaking an exercise to establish whether it would be cost effective for the Council to set up its own agency. **There was a request to find out how many agency staff the Council currently employed and that the final report referred to from the Procurement Team should also be issued to this Committee. Action**
- With reference to Appendix 1, setting out the full Audit Plan proposed breakdown, one Member queried on page 9 in the heading 'Review of Procurement' under the 'Why' column, the reason for "verifying the value of money achieved" being undertaken by "reviewing a sample of invoices", rather than at the earlier tender stage. it was explained that the invoice was the start off point to working backwards to establish how much had been spent on work and then asking questions on how the contract had been designed.
- There was a request to ensure that on fraud, investigations should not be confined to looking at high cost / high value areas but should also investigate some low cost activity to deter people from committing fraud at all levels.

**RVS /
Janet
Maulder**

- In respect of the concern expressed by one Member regarding whether the County Council was undervaluing the contributions required at the initial negotiation stage on Section 106 Agreements, assurance was provided that every case involved the Council bringing in experts.
- With reference to the Compliance section entry regarding 'Duplication Payments Follow Up Report' on page 13 there was a request for an update regarding the timetable for a follow up report. In response it was explained that the timing would depend on the agreed action completion dates from the previous review.
- One Member suggested that consideration should be given to increasing the number of days for Schools Purchasing and Payments.

Having commented,

It was resolved to note the draft 2016/17 Audit Plan as set out in Appendix 1 of the report.

199. SAFEGUARDING SAFE RECRUITMENT IN SCHOOLS UPDATE

At the request of the Audit and Accounts Committee, and to support schools with the increased expectations of the Office for Standards in Education, Children's Services and Skills (OFSTED) framework, Education Advisors had been carrying out detailed safeguarding reviews in maintained schools, and academies that had purchased the Local Authorities services. The detail was set out in the report which also included the Annual Child Protection Monitoring Report to Governors 2014– 2015 as Appendix 1.

It was highlighted that virtually all maintained schools were now using the Local Authority model 'Single Central Record' in some form and this had helped clarify expectations for schools with head-teachers being co-operative and welcoming the support to ensure their schools were fully compliant with statutory requirements. In addition, safer recruitment training provided by Governor Services had been heavily subscribed in the current year and had resulted in additional courses being offered.

In his introduction Chris Meddle indicated that the service had now visited approximately 100 of the County's schools and expected to visit all the schools, except those academies which had not bought in to the Service. At the time of the meeting it was orally confirmed that of those schools visited, none were of concern, with all those checked complying with all requirements.

In addition, academy schools who in the past had not been willing to engage, were now expressing gratitude for the guidance provided by the education authority, with more now expected to participate and sign up to the training offered. It was highlighted that the Regional Commissioner had been very complimentary of the safeguarding processes operated by many of the County Schools inspected.

Members questions / issues raised included:

- In respect of paragraph 2.3 making reference to the OFSTED inspections and whether there had been any negatives, the response explained that this had not been the case since the first inspection this year with recruitment safeguarding, but there had sometimes been issues in respect of safeguarding such as first aid provision.
- The Chairman indicated that he did not believe the very bold statement claiming that a survey had shown that 100% of pupils felt safe in their school. It was explained that this was an official statistic using the various measures as detailed in the report.
- Clarification was sought regarding 'Chelsea's Choice'. It was explained that this was a theatre production that been produced that could be purchased by schools and was aimed at 14 year olds to warn of the dangers of child sexual exploitation.
- In response to a question of how many people were sifted out as being unsuitable during schools recruitment processes, it was explained that this would not be a figure that was recorded and therefore could not be collated. The processes involved to identify unsuitable candidates included looking for unexplained gaps in employment records, with the DBS check being part of the main criteria that panels were required to ensure had been carried out, before confirming an offer of employment.
- An explanation was requested regarding the phrase "disqualification by association". It was explained that this was in relation to barring primary and certain secondary school posts from candidates who shared a house with a person who had been disqualified from working with children.
- In reply to a question it was confirmed that the schools already checked had been assessed as 100 % compliant both in terms of their safe recruitment policies and practices and in their systematic updating of information on their single central record. The one school referred to in the report as not having anyone trained in safe recruitment practices had carried out the necessary training that week. In addition, maintained schools were still using the Council's Whistleblowing Policy.

The Committee congratulated the officers involved on what had clearly been a significant improvement in respect of the compliance with safeguarding and safe recruitment in schools.

Having commented it was resolved:

To note the report.

200. CAMBRIDGE LIBRARY ENTERPRISE CENTRE REVIEW – UPDATE ON ACTION PLAN PROGRESS TO DATE

This report provided an update on the progress implementing the recommendations set out in the Cambridge Library Enterprise Centre Review Action Plan. It was highlighted that several of the actions were dependent on the agreement on the project management methodology / guidance and officers had gone back to the service to receive further updates and these would be updated in the report to the next meeting in June.

Going through the appendix update document attention was drawn to the following:

- Commercial proposal document – as an update it was indicated that this report was withdrawn at the March General Purposes Committee as the Committee felt more work was required with a small group of members to be involved in helping draft a revised version and would be rescheduled to a later meeting, probably the May General Purposes Committee.
- Confidentiality Agreement – as at the time of the meeting no update had been provided by the Director of Law. **Action: The Chairman undertook to telephone him to request an update on the action.**
- Gateway Review Process – This was awaiting the completion of the Corporate Capacity Review and the expectation of being able to provide an update to the June Committee but with the expectation that the Review would not be fully completed until at least October.
- Additional Guidance on what constitutes Key Decision - the advice from Democratic Services was that it was difficult to define a key decision further to try to cover every eventuality and that where an officer was unsure whether a decision should be classed as a key decision, they were recommended to seek the advice of the Monitoring Officer and that this additional guidance should be added to the Forward Plan. Sue Grace was asked her opinion on any further guidance and put forward suggestions such as impact on customers / members of the public and geographical reach. The Committee agreed that the action could now be treated as completed.
- **5.7 - Spokes meeting guidance – The action for the Chairman to write to all spokes was still outstanding. The Chairman undertook to action this.**
- 5.9 Challenge, Call in / placing items on agendas etc – this was essentially now completed having been approved by Constitution and Ethics Committee with guidance having been placed in each Group Room and included in the Constitution. CMIS was now expected to go live within the next four weeks.

**Council-
lor
Shellens**

**Action
Cllr
Shellens**

- 6. Public Consultation – A report was going forward to General Purposes Committee and an update would be provided at the June meeting.

It was resolved:

to note the progress being made against the Cambridge Library Enterprise Centre Review Action Plan and to receive a further report at the June Meeting

M Kelly

201. RISK MANAGEMENT REPORT

This report provided:

- details of the Key Corporate Risks faced by the Council,
- details of the significant changes to the Corporate Risk Register since the last Report in January 2016
- the profile of risks faced by corporate and executive directorates.
- The review of the Risk Register undertaken to cover the point raised at the Audit and Accounts Committee in January.

The table in paragraph 3.1 provided an analysis of Directorate Residual Risks as at March 2016 illustrating that there were 71 risks recorded in service risk registers. Actions were planned against the previously reported red risks for ETE and CFA. Appendix 1 illustrated the profile of Corporate Risk against the Council's risk scoring matrix which included the following three red residual risks:

- Risk 1a) Failure to deliver a robust and secure Business Plan over the next 5 years
- Risk 1b) Failure to produce a robust and secure Business Plan
- Risk 9 'Failure to Secure Funding for Infrastructure'

It was reported that the Corporate Risk Register (CRR) had been reviewed by SMT the previous day who confirmed that the CRR was a comprehensive expression of the main risks faced by the Council and that mitigation was either in place, or in the process of being developed, to ensure that each risk was appropriately managed.

As the report had been written before the SMT meeting, an oral update was provided against each of the Risks reviewed as set out below.

Risk 15: Failure of the Council's arrangements for safeguarding vulnerable children and adults - A timetable had been produced by CFA in respect of refreshing their entire Risk Register including completely revising Risk 15, as already set out in an e-mail sent out to the Committee and included in the Minute Action Log. The intention would be to report back to the Audit and Accounts Committee in September.

Risk 28: Lack of capacity to respond to rising demand for service provision - CFA Management Team agreed to remove this risk

following the review of the register as it was too wide and has been replaced with the two urgent demand issues 'Looked After Children' and 'Insufficient Availability of Care Services at affordable rates'.

New risk 31: Insufficient availability of affordable Looked After Children (LAC) placements - This new risk has been agreed by the CFA Management Team as an urgent demand issue and was currently included in the CFA Risk Register. CFA Management Team agreed that this risk should be included on the Corporate Risk Register. This had been confirmed by SMT.

New risk 32: Insufficient availability of care services at affordable rates This new risk has been agreed by the CFA Management Team as another urgent demand issue and was currently included in the CFA Risk Register. CFA Management Team agreed that this risk should be included on the Corporate Risk Register. SMT confirmed its inclusion.

Risk 29: Failure to address inequalities in the county - This new risk was agreed at A&AC, GPC and Group Leaders. Following a comprehensive review of the Corporate Risk Register at the recent CRG, officers raised the concern that this risk was more of an outcome than an actual risk and the group felt that this might not be a risk for the Corporate Risk Register. SMT had been informed that at a Chairman's briefing the Chairman of Audit and Accounts Committee had suggested a change of wording. SMT had agreed the risk should be included with the revision to include at the end, the additional word "continue"

Details in respect of Risks 15, 28, 29, 31 and 32 were included in Appendix 2 which had also been provided separately in Colour on A3 for Committee members.

Following the review of the CRR by Group Leaders on 7th January the following changes had been proposed.

Risk 9: Failure to secure funding for infrastructure - The concerns raised by the Leader of the Council and the response from CFA in consultation with Economy Transport and Environment (ETE) was as set out in the report due to the cross referencing undertaken. It was highlighted that CFA would be placing the Supporting New Communities Strategy on the public website on the existing planning pages so that all strategies regarding growth were available in one place.

Risk 21: Business Disruption. - Group Leaders had expressed concern over trigger 6 'Flu pandemic' as they were concerned with any local epidemic and suggested pandemic was not the right terminology as this was not just restricted to flu but any epidemic. The response from Public Health as to why it was pandemic was as detailed in the report.

Going through the Risk Register the following issues were raised:

- On 1b 'Failure to deliver the current 5 Year Business Plan 2016-2021' the Chairman highlighted that there were no actions shown.

In response it was explained that they had since been added from 3 and 4 on 1a) 'failure to produce a robust and secure Business Plan over the next five years'

- On 4 'The Council does not achieve best value from its procurement and contracts' as the target dates were both March 2016 an update would be provided in the next report.
- 20 'Non Compliance with legislative and regulatory requirements' – with respect to staff training /awareness, the Chairman expressed concern regarding staff turnover and the use of agency staff, especially if they were working in technical areas. He also raised the issue of whether they were aware of Council policies such as Whistle Blowing / Fraud policies and suggested the current key controls did not address this. **Action: The Officers to look at this further.** S
Norman
- Risk 9 'Failure to secure Funding for infrastructure' – querying the vagueness of the target date only showing '2016' for description 1 and also the description against 7. **In response, it was indicated that both would be reviewed. Description 1 was to be changed to being a key control, rather than an action. Action** S
Norman
- Risk 21 Business Disruption – **there was a request for stepping stones. Action** S
Norman
- Risk 23 Major Fraud or Corruption – **As these were showing dates of March 2016, there was a request for updates at the next meeting.** S
Norman
- Risk 24 titled 'Implementation of CFA Social Care Business Systems on new rationalised platform - **As the target date was March 2018, there was a request for stepping stone dates to be provided.** S
Norman
- Risk 27 - 'The pension fund has the potential to become materially underfunded' The Chairman highlighted that there was currently a lack of actions and in discussion **it was agreed that actions would need to be populated following the tri-annual review.** S
Norman
- Risk 29 - Failure to address inequalities in the County - In response to a query **it was confirmed that target dates would be added for the next update report** S
Norman
- Risk 30 - 'Waste savings / opportunities and achieve a balanced budget' There was a query regarding the target date on 4 which was still showing as January 2016. In response it was confirmed that this action had been completed and had been closed. S
Norman
- **Risk 30** Insufficient availability of care services at affordable rates – The Chairman highlighted a **typo under the results column on the word 'delayed discharges'**. He also expressed surprise S
Norman
/ S

that the impact was three following the press coverage on homes closures and was concerned of the impact of another 'Southern Cross' commenting that two providers had been lost in the last 18 months. In response it was indicated that other providers in the market were usually able to cover the gap. Another Member suggested that the national living wage should be considered as a new trigger, especially in respect of third party providers.

The report was noted.

202. INTERNAL AUDIT PROGRESS REPORT TO 28TH FEBRUARY 2016

This report provided details of the main areas of audit coverage for the period 1st January to 28th February and the key issues arising.

Since the previous Progress Report to the Audit and Accounts Committee in November 2015, the following audit assignments had reached completion:

No.	Directorate	Assign ment	Compliance Assurance	Systems Assurance
1.	Council-wide (Cross-Cutting)	Budgetary Control	Good	Substantial Organisational Impact: Minor
2.	Customer Service & Transformation	Payment Methods	Limited	Limited Organisational Impact: Moderate
3.	Economy, Transport & Environment / Children, Families & Adults	Home to School Transport	Good	Limited Organisational Impact: Major
4.	Council-wide (Cross-Cutting)	Key Systems Access	Investigation into an issue identified by audit; report issued and actions agreed.	
5.	Council-wide (Cross-Cutting)	Fees and Charges	Report issued with draft recommended Fees & Charges Policy and supporting documentation (set out in Section 5).	
6.	Children, Families & Adults	Pupil Premium Schools Consolidated Report	Consolidated schools report.	
7.	Children, Families & Adults	Cherry Hinton School - Individual Schools	Moderate assurance on financial management/financial governance.	

		Financial Value Standard (SFVS)	
8.	Children, Families & Adults	Farcet School – Individual Schools Financial Value Standard (SFVS)	Moderate assurance on financial management/financial governance. Limited assurance on counter fraud.
9.	Children, Families & Adults	Harbour School – Individual Schools Financial Value Standard (SFVS)	Limited assurance on financial management/financial governance. Limited assurance on counter fraud.
10.	Children, Families & Adults	Orchards School – Individual Schools Financial Value Standard (SFVS)	Moderate assurance on financial management/financial governance. Limited assurance on counter fraud.
11.	Children, Families & Adults	Yaxley Infants – Individual Schools Financial Value Standard (SFVS)	Moderate assurance on financial management/financial governance. Limited assurance on counter fraud.
12.	Children, Families & Adults	Troubled Families Grant	Grant signed off.
13.	Children, Families & Adults	Draft Looked After Children Strategy	Internal Audit provided a report responding to consultation on the draft LAC Strategy.
14.	Economy, Transport & Environment	Usage of s106 Monies	Report on the usage of Section 106 funding for Audit & Accounts Committee (see section 7 of this report).

Summaries of the finalised reports with moderate or less assurance were provided in Section 5 of the report. Table 2 of the report as set out the audit assignments have reached draft report stage.

Further information on work planned and in progress was detailed in the Audit Plan, attached as Appendix A.

Section 3 of the report provided a Fraud and Corruption update including

the latest update on the recent Criminal prosecution regarding the 'Proceeds of Crime hearing.

Section 4 set out the details of outstanding management actions at February 2016 which indicated that currently there were no outstanding fundamental actions. Of the 6 outstanding significant recommendations, 5 related to the Central Library Enterprise Centre (CLEC) review, the subject of an earlier report. The last outstanding recommendation related to a review of the Council's Fairer Contributions Policy. No update has yet been received from the service regarding the implementation of this action. Internal Audit indicated that they would report back to the next meeting of Audit & Accounts Committee with further detail regarding whether or not the action had been completed commenting that they were fairly sure that it would be completed.

Action: The Chairman requested that the responsible officer should be asked to attend if that proved not to be the case.

N
Hunter /
M Kelly

In respect of the summaries of completed audits with moderate or less assurance in discussion the following issues / actions were raised.

a) Payments Methods report – Action - as there was no follow up report currently in the Audit Plan, a one year review should be added and that the recently completed full report should be made available to the Committee outside of the meeting.

N
Hunter /
M Kelly

b) Home to School Transport

This audit had focussed on safeguarding, with as referred to in any earlier report a key potential risk was seen as being the service provided by Education Transport. The review identified weaknesses in the control environment within Education Transport which has resulted in a limited assurance opinion, and given the nature of pupil safeguarding, a 'major' designation of organisational impact was also given. A clear reference to the mitigation of the Home to School Transport safeguarding risks had not been found on any of the Council's high-level risk registers. Management actions had been undertaken to address this.

It had also been identified that nineteen Home to School Transport operator employees (representing 2%) were reported as not having been cleared to drive in the 2014-15 academic year. It was explained that operators were contractually obliged to ensure their employees displayed an ID Badge after a successful Council safeguarding check on the individual. However, at present, if an employee was found to be in violation of this safeguarding control, their operator was subject to a penalty, which was currently less than an identified instance of excessive late running. It was considered that, given the potential safeguarding risk, it was appropriate to take a more robust stance toward any such operator breach identified and particularly any repeat infringements and for the fine level to be increased. In addition the condition of contract requiring regular and relief operator employees to be made known to the Council in advance of contract commencement, had never been enforced. Management actions had therefore been agreed to address both of the above.

There was a request that the full report should be circulated to the Committee outside of the meeting.

M Kelly

Questions raised related to how random checks were carried out to ensure compliance. In response it was indicated that this was undertaken by the Contract Monitoring Team. (CMT). **As there was concern that the CMT only had two officers, there was a request for a report on policing arrangements on contractual compliance in the above area to be presented to the June meeting.**

**M Kelly
to
contact
CMT**

Section 106 – Agreed Actions from the Internal Audit Section 106 Report – The review had identified four instances where part, or all of Section 106 contributions received had not been spent within the agreed time period. It was clarified that in one case the money was able to be re-allocated against a different scheme meeting the terms of the Section 106 Agreement. In addition, the County Council was only obliged to return unspent funds to a developer on request. This had not happened in any of these cases, with one of the cases only involving a negligible sum (£350 being quoted)

It was noted that in future the intention was for Section 106 monitoring system (APAS) to be upgraded to include a reporting function to automatically identify and issue alerts for unspent funds.

The Chairman indicated he would wish the relevant representative from the service co-ordinating Section 106 Funding (transport infrastructure, Policy and Funding) to be invited to attend the next Committee meeting to explain the systems in place to ensure that funds did not go unspent. Action

**M Kelly
to
contact
relevant
officer**

On Appendix A showing the current 2015/16 CCC Internal Audit Plan explanation was requested on the difference between the progress column when marked up as 'in progress' compared to 'ongoing'. In response it was explained that 'in progress' meant that there would be a definite end date while 'ongoing' would carry on until it was deemed that it could be ended and had no advance end date.

Having commented on the in-year Audit Plan it was resolved:

- a) to note on the progress being made against the approved Internal Audit Plan.
- b) to note the material findings and themes identified by Internal Audit reviews completed in the period.

203. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31st JANUARY 2016

The Committee received the above report which had been considered by General Purposes Committee earlier the same day presenting the financial and performance information to be able to assess the progress in delivering the Council's Business Plan.

Key points identified were that:

- The overall revenue budget position was showing a forecast year end underspend of £4.9m (-1.4%), which was an increase of £1.0m from the previous month for the reasons set out in the report.
- Key Performance Indicators; the corporate performance indicator set had been refreshed for 2015/16. Some of the measures within this new set were still being developed and should be available in the coming months. There were 20 indicators in the Council's new basket, with data currently being available for 18 of these. Of these 18 indicators, 8 were on target (previously 7).
- The Capital Programme was showing a forecast year end underspend of £53.6m (-26.1%), which was an increase of £6.1m since the previous month. The majority of the increase was due to further slippage within ETE's, CFA's and LGSS managed capital programmes. In subsequent discussion it was explained that a Capital Programme Board was currently reviewing the operation of the Capital Programme. This was looking at different options with the aim of reducing the amount of slippage in future years and included the option of a smaller Capital Programme and putting some schemes in later years.
- Balance Sheet Health; The original forecast net borrowing position for 31st March 2016, as set out in the Treasury Management Strategy Statement (TMSS) was £453m. This projection had now fallen to £410m, down by £2m from the previous month.
- In response to a question, details were provided in respect of the additional provision of £1.15m Municipal Mutual Assurance Scheme of Arrangement levy.

Issues raised by Members included:

- a) Asking what borrowing costs were incurred when Capital projects slipped? In response it was clarified that zero costs were incurred where no spend had been undertaken and no money borrowed against a specific scheme.
- b) With reference to a discussion on the collapse of Municipal Mutual Insurance which had taken place in 1992, a question was raised regarding whether Peterborough City Council, which became a Unitary Authority in 1997 was responsible for its share of the Scheme of Arrangements Levy before this date. **Action: The Chief Finance Officer undertook to investigate this.**

**C
Malyon /
S Hey-
wood**

It was resolved:

To note the report.

204. **AUDIT AND ACCOUNTS COMMITTEE ACTION LOG FROM MINUTES**

The Committee noted the completed actions /updates provided in relation to the minutes from the last meeting and earlier outstanding actions as set out in the report. In respect of nearly all actions referred to against the previous Risk Management and CLEC reports from the January Committee meeting, these had been included in their respective update reports considered earlier in the meeting.

The following issues were raised / comments made:

Issues raised from the January and February Action Logs

Item 4 and Item 8f) Assurance Framework Update – b) clarification of whether there was a general risk and assurances around not complying with statutory responsibilities / duties placed on the Council - action Councillor Crawford was requested to pursue her concerns regarding new adults legislation and any risk of the Council not meeting its statutory responsibilities due to continued service cuts. It was orally confirmed that she had raised the issue at the most recent Adults Committee on 1st March and received the response that a revised Children's Families and Adults Risk Register would be presented to the Adults Committee for review at its July meeting. Her action was therefore completed.

Item 8 a) Proportion of Pupils attending Cambridgeshire schools judged good or outstanding by Ofsted

Following the request by the Chairman for him to receive quarterly updates regarding the relative performance on the above in relation to both maintained and academy schools at primary and secondary level, he had received the first update in February provided the following information:

Proportion of pupils attending good or outstanding primary schools:

Maintained: 79.2%

Academies: 67%

Proportion of good and outstanding primary schools:

Maintained: 78.8%

Academies 74.2%

Item 9 - Minute 184. Risk Management Report

Regarding the request from the Vice Chairman for officers investigate alternatives to the current presentation of appendix 1 (the Residual Risk Map) different options had been circulated by e-mail (hard copy for Councillor Henson) the previous week **with the request for Members to feedback any preferences to Sue Norman in Internal Audit.**
Action

**All on
Commi-
tee**

Item 14 – ISA 2690 Report for the year ended 31st March 2015

Following the meeting in January the Chairman had requested a short progress update against the recommended actions from PwC from the above report which had been provided in an e-mail by the Chief Finance Officer. **It was agreed that an update report based on the above should come forward to the June Committee meeting. Action**

**C
Malyon /
S Hey-
wood**

205. DRAFT AGENDA PLAN

Noted with the further updates agreed at the meeting.

206. DATE OF NEXT MEETING 2.00 p.m. TUESDAY 7th JUNE 2016

This would be preceded by a training session on the Accounts commencing at mid-day.

Chairman
7th June 2016