

**Agenda Item No. 6**

**INTERNAL AUDIT PROGRESS REPORT AS AT 31<sup>ST</sup> DECEMBER 2017**

To: **Audit & Accounts Committee**

Date: **23<sup>rd</sup> January 2018**

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

**1. PURPOSE**

- 1.1 To report on the main areas of audit coverage for the period 1<sup>st</sup> November 2017 to 31<sup>st</sup> December 2017 and the key control issues arising.

**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 Cambridgeshire County Council's (CCC'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 The Committee is requested to consider the contents of this report.

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# **LGSS Internal Audit & Risk Management**

## **Cambridgeshire County Council**

*Update report*

*As at 31<sup>st</sup> December 2017*

## Section 1

# 1. FINALISED ASSIGNMENTS

- 1.1 Since the previous Progress Report to Committee in November 2017, 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	Organisational impact
1.	Cross-Cutting (CCC-wide)	Procurement Compliance (Q3)	Satisfactory	N/A	Moderate
2.	Cross-Cutting (CCC-wide)	Project Management Methodologies	Limited	Limited	Moderate
3.	Cross-Cutting (CCC-wide)	Ethics Policies & Compliance	Good	N/A	Minor
4.	People & Communities	Safe Recruitment Compliance	Satisfactory	N/A	Minor
5.	Corporate & Customer Services	Assurances from Suppliers and 3rd Parties	Satisfactory	Satisfactory	Moderate
6.	Corporate & Customer Services	Business Intelligence Continuity	Good	Good	Minor
7.	Cross-Cutting (CCC-wide)	General Computer Controls	Good	Good	Minor
8.	Cross-Cutting (CCC-wide)	Agency Staff Compliance	Limited	N/A	Minor
9.	People & Communities	Troubled Families Grant	Certification of the Troubled Families Grant Claim (December Claim Window)		

- 1.2 Summaries of the finalised reports with satisfactory or less assurance are provided in Section 6, with the exception of the Project Management Methodologies audit as a summary of this review was reported previously to the November meeting. This also

excludes individual schools audits, which are reported collectively once all reviews have been finalised.

- 1.3 The following audit assignments have reached draft report stage, as set out below in table 2:

**Table 2: Draft/Interim Reports**

No.	Directorate	Assignment
1.	People & Communities	Overtime & Enhancements in People & Communities
2.	Cross-Cutting (CCC-wide)	Use of Social Media
3.	Cross-Cutting (CCC-wide)	Capital Programme Board
4.	Cross-Cutting (CCC-wide)	Commercial Board
5.	People & Communities	Commissioning Board
6.	People & Communities	Social Care Charging Investigation
7.	People & Communities	Direct Payments Compliance

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

## Section 2

# 2. FRAUD AND CORRUPTION UPDATE

## 2.1 CURRENT INTERNAL AUDIT INVESTIGATIONS:

A summary of the current 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. As at the end of December 2017, 53 cases had been referred to Audit.

**Table 3: Internal Audit Investigations Caseload**

Case Category	Description of activity or risk example	No.	Outcomes
Direct Payments	Concerns regarding misuse or fraud relating to a direct payment.	1	Investigation concluded & report issued.
		1	Initial referral stage.
Concessionary Travel	Misuse of travel passes	2	Closed – advice given.
		7	Closed – pass withdrawn.
		10	Closed – no fraud.
		1	Closed – no further action.
		1	Closed – passed to the D.W.P.
Blue Badges	Misuse of Blue Badges	10	Closed – badge withdrawn.
		11	Closed – no fraud.
Investigations	Community Transport Investigation	1	Ongoing investigation work.
	Social Care Charging Review	1	
	Agency Worker	1	
	Conflicts of Interest Investigations	3	Ongoing investigation work.
		1	Closed – no fraud.
Schools financial	Concerns regarding financial irregularities in schools	2	Site visits completed and reports issued with recommendations.
Totals		53	

## 2.2 NATIONAL FRAUD INITIATIVE:

The National Fraud Initiative (NFI) is a data-matching exercise to prevent and reduce fraud. Every two years, the Council is required to provide sets of data

including payroll, payables, pensions, concessionary passes and so on. The data is then matched to data held by other public and private sector bodies, to identify any inconsistencies which may indicate a possible fraud.

The results of the most recent NFI exercise were received in January 2017. Once results are received, Internal Audit work with other services across the Council to review matches and identify whether they may indicate fraud or other issues. Due to the high volume of matches received, this was carried out on a sample basis. To date, 459 matches have been reviewed with 59 still in progress. In particular, there has been a focus on Pensions and concessionary travel matches, although some concessionary travel matched with deceased data was found to be an error; this has been fed back to the NFI.

One match identified an employee had no right to remain in the UK, but upon investigation it was confirmed the employee had resigned before receipt of the match data.

No instances of fraud have been identified to date through this process although a number of investigations remain open, including three investigations into undeclared possible conflicts of interest.

### 3 IMPLEMENTATION OF MANAGEMENT ACTIONS

- 3.1 The outstanding management actions as at the end of November 2017 are summarised in Table 5, which includes a comparison with the percentage implementation from the previous report (bracketed figures).
- 3.2 Please note that an exceptionally high number of actions have become due to date this financial year. In total, 92 actions have required follow up to the end of November; for comparison, 52 actions were followed-up in the entire 2016/17 year. This has placed a strain on the ability of Internal Audit to obtain full information for all actions in this period.
- 3.3 A summary of the outstanding recommendations, and the current progress with implementing them, is provided in a table at Appendix B.

**Table 5: Outstanding Management Actions**

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
<b>Implemented</b>	5	5% (6%)	63	68% (69%)	68	74% (75%)
<b>Actions due within last 3 months, but not implemented</b>	0	0% (1%)	11	12% (12%)	11	12% (13%)
<b>Actions due over 3 months ago, but not implemented</b>	1	1% (0%)	12	13% (12%)	13	14% (12%)

Totals	6		86		92	
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## **4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE**

### **A. CROSS-CUTTING (COUNCIL-WIDE)**

#### **A.1 Procurement Compliance (Quarter (Q) 3)**

An audit was undertaken to provide assurance that goods and services are procured in line with the Council's Contract Procedure Rules and public procurement regulations, while achieving value for money. This was the second procurement compliance audit undertaken in 2017/18, in line with a rolling programme of procurement reviews.

As a result of the fieldwork undertaken, satisfactory assurance was given over compliance with the Contract Procedure Rules. The primary issue that reduced the level of assurance provided compared to the previous review (which gave good assurance) was a finding that in three cases, procurement exemptions were not sought when they should have been. A key cause of this was officers not providing sufficient challenge to contract arrangements which have been in place for a number of years. A further issue was identified where contract documentation had been lost and no information was available about the tender process or contractual arrangements relating to a software contract.

The contracts have been referred to procurement and Internal Audit has discussed with responsible officers the need to re-tender the contracts or obtain an exemption. Procurement have undertaken awareness-raising work to ensure officers understand the need to review existing arrangements and obtain exemptions where it is believed that services can only be provided by one supplier. This has included a series of posts on the staff intranet. Additionally, Audit are conducting a review specifically focused on procurement exemptions and the exemption process to identify any further areas where changes could improve compliance levels.

#### **A.2 Agency Staff Compliance**

This audit review focused on the key controls to minimise Council expenditure on agency staff: ensuring that agency staff are only recruited when really needed, and that they are not in post for too long. Limited assurance over compliance with these controls over the use of agency staff was given, meaning that the Council is exposed to medium risk in this area.

The Agency Worker Policy stated that the maximum length of employment for an agency worker is 13 weeks, which may be extended by a further 13 weeks if a Business Case is produced, after which the job should be advertised through the normal recruitment process. Of the eight cases tested where the contract lasted for over 13 weeks, five managers did not produce a Business Case, one manager did produce a Business Case but it was not signed off, and in two cases the contract was extended beyond the maximum 26 weeks. Through discussions with HR and the People & Communities Directorate (which employs the bulk of agency workers), changes to this process have been agreed. Going forward, social care agency posts will have an initial employment period with a maximum of 20 weeks to reflect the nature of the role and reality of recruitment in this area, while all other posts will retain the 13 week initial period. Any extension beyond this duration will require sign-off from the relevant Assistant Director/Executive Director, thereby reducing the administrative burden of creating a business case but ensuring that approval is needed at a higher level.

It was also identified that from a sample of eight agency appointments, only two Agency Worker Recruitment Freeze Forms had been completed as per the policy, although neither had not been authorised. It has been agreed that the OPUS IT system will be updated to ensure that requests for agency staff will not be processed without an exemption form being received.

To further improve the controls in this area, it has also been agreed that reports will be issued to all Directors on a regular basis giving details of the duration of agency placements in their area, and the expenditure to date on each placement.

## **B. PEOPLE & COMMUNITIES (P&C) DIRECTORATE**

### **B.1 Safe Recruitment Compliance**

As part of the 2017/18 Audit Plan, an audit was undertaken to ensure that CCC staff who work with children, young people and vulnerable adults are subject to robust and transparent recruitment processes to ensure that service users are safeguarded. This included testing that safe recruitment requirements are consistently applied where required; employees are receiving the correct DBS (Disclosure and Barring Service) checks before starting their role; and confirming that where DBS checks return with a 'positive trace' (indicating that the candidate has a criminal record), the appropriate process risk is followed. This review excluded schools staff, as a separate schools safe recruitment and payroll review is carried out annually.

The fieldwork identified a number of positive findings, including that 100% of employees within the sample received an Enhanced DBS check when one was required, and all DBS checks were completed before the start of employment. Overall the assurance level was reduced to satisfactory due to several issues which were identified.

When a positive trace is returned on a DBS, an objective assessment should be completed to identify and consider any potential risks of hiring an individual based on the nature of their criminal record. The assessment should be approved by both HR and an Executive Director. When tested, 70% of the sample could demonstrate that they went through the objective assessment process, although a third had not been signed off correctly. Of the four cases where no objective assessment could be found, in two instances the recruitment process appears to have terminated prior to the assessment taking place; in one instance the employee was recruited by the NHS and would have been subject to their procedures; and in one case the individual does appear to have worked for the authority for one day before employment was terminated.

Other issues identified included inconsistent checking of employment gaps, a lack of discussion regarding safeguarding responsibilities at interview, and out-of-date information regarding DBS checks being recorded on the Oracle system. A number of actions were agreed, including adding the ability to flag the need for an objective assessment of an employee on the Oracle system, which has already been completed. An update of safe recruitment guidance and templates has been agreed and this will be cascaded through services to ensure managers are aware.

## **C. CORPORATE & CUSTOMER SERVICES DIRECTORATE**

### **C.1 Assurances from Suppliers and Third Parties**

Cambridgeshire County Council relies on a number of external service providers to deliver many of their services. This may involve providers holding data on behalf of the County. Loss or misuse of data by these service providers represents a risk to service delivery and a risk of breaching data protection regulations, which could lead to fines and/or damage to the reputation of the council.

It is therefore important that the Council obtains assurance that adequate controls surrounding information governance of contractors are in place to mitigate this risk. The organisation can seek assurance directly from the supplier, or it can seek a 'third party' assurance. This is when an independent third party reviews evidence and conducts testing on the provider and uses this to provide the customer with

assurance over the adequacy of systems. The focus of this review was therefore to understand the level of assurance that the Council has from its suppliers who hold Council data, and how assurances are leveraged through County Council contractual requirements.

Overall, satisfactory assurance was awarded over the control environment and compliance in respect of information security arrangements at the Council's IT suppliers. The review identified a mix of practice in place and some areas of risk.

In one instance it was identified that no formal contract is in place for an IT arrangement with a supplier which does not have an information security or business continuity plan in place. The supplier was also unable to provide any third party assurances over the security arrangements in place for their system. While the system does not process significant amounts of personal data, it does contain information which would be subject to data protection legislation, and system downtime or unauthorised access could be disruptive and costly for the Council, meaning that the absence of a formal contract or agreement for this service places the Council at risk.

In two further instances, suppliers declined to provide evidence that key processes outlined in their policies were actually operating as outlined; in one case this was despite a right of access outlined in the contract, and in the other there was no right of access in the contract. Although these suppliers had stated they were compliant with ISO 27001:2013 (an internationally recognised standard for information security in information management systems), they had no certification of this.

A number of actions to address these weaknesses were agreed, including new processes for IT systems contracts and procurement, and creation of guidance for officers on including requirements for third-party assurance around systems security in contracts.

## **5. OTHER AUDIT ACTIVITY**

### **5.1 PROJECT MANAGEMENT METHODOLOGIES**

Following the Internal Audit report into project management methodologies, which gave limited assurance, a workshop was held on the 11<sup>th</sup> December with representatives from Internal Audit, Transformation, Finance, Business Intelligence, Communications and the IT & Digital Service. The workshop included review of an initial draft framework and discussion around project management arrangements at the Council.

From the workshop, as well as the development of a project management framework it has been agreed to look at developing a projects assurance process whereby projects are risk-assessed and additional assurance processes are in place for the projects which represent the highest risk to the Council. Responses from the workshop are currently being reviewed by Transformation, and Internal Audit are continuing to work with the Transformation Team around the next steps for development of the framework and projects assurance process.

### **5.2 PRESSURES ON THE INTERNAL AUDIT PLAN**

In accordance with best practice the Audit Plan should be flexible in reacting to changing risks emerging across the Council. The Internal Audit Plan has been revised in line with the latest risk assessment and the following changes made:

- It was initially planned to review the new arrangements for the Multi-Agency Safeguarding Hub (MASH). It has now been confirmed by the People & Communities Directorate that a specialist peer review of the MASH is taking place in January. In order to avoid duplicating work, it has therefore been agreed to remove the audit of the MASH from the Audit Plan. The outcomes of the peer review will be shared with Internal Audit and assurance can be taken from this third party work.
- The time saved through not being required to undertake this review will be used to alleviate pressures in two other audit areas. Firstly, the review of Deprivations of Liberty, where the complexity of the different processes in place has increased the level of testing required from initial predictions; and secondly, the Troubled Families grant where a change in processes has meant that a higher proportion of claims need to be reviewed.

As previously reported, the time needed to support the PKF Community Transport Investigation has been much higher than initially expected. The decision for Internal Audit to provide the liaison and document recovery role was determined to be most cost-effective for the Council, as the LGSS Internal Audit daily rate is approximately the same as the PKF hourly rate.

Due to the high time pressure created by providing support to the Community Transport Investigation, the Audit Plan is currently at capacity, and with the adjustments already made it will not be possible to cancel further audits without undermining the plan's coverage.

Consequently, while the Internal Audit Plan continues to be re-assessed and updated in line with current risks facing the organisation, any further additions to the plan are likely to require additional funding.

APPENDIX A

## CCC INTERNAL AUDIT PLAN 2017/18

Audit Title	Status	Quarter Opened	Quarter Closed
Other Risk-Based Audits 17-18 (Contingency)	Ongoing	N/A	N/A
<b>Cross-Cutting and Council Wide Audit</b>			
Agency Staff Compliance	Complete	2	3
European Union Procurement Regulations - Compliance	Open	2	
Review of Procurement - Compliance – Quarter 1	Complete	1	2
Review of Procurement - Compliance – Quarter 3	Complete	3	3
Overtime & Enhancements in Children, Families and Adults (CFA)	Draft	1	
Members Travel & Subsistence	Open	3	
Procurement Exemptions Compliance	Draft	3	
Unannounced Visits - Archives	Complete	1	2
Unannounced Visits – Wisbech Children's Centre	Complete	1	2
Unannounced Visits – St Neots Children's Centre	Complete	1	2
Projects Assurance 17-18 Central Code	Complete	1	2
Project Assurance – Looked After Children (LAC) Property Project	Complete	1	2
Project Assurance – Cambridgeshire Public Services Network Project	Complete	1	3
Project Assurance - Energy Efficiency Fund	Complete	1	2
Project Assurance - Citizen First, Digital First	Complete	1	3
Project Management Methodologies	Complete	1	3
Use of Consultants	Open	1	
Social Media Audit	Draft	1	
Scheme of Delegation - Compliance	Complete	1	1
Capital Programme Assurance	Complete	1	3
Capital Programme Board	Draft	1	
Commercial Board	Draft	1	



Key Performance Indicators	Open	3	
Transformation Programme	Ongoing	All year	N/A
Property Portfolio Development Project	Ongoing	All year	N/A
Ethics Policies & Compliance	Complete	2	3
Whistleblowing Policy & Compliance	Open	1	
<b>People &amp; Communities Directorate</b>			
Governance of Financial Assessments	Complete	1	3
Traded Services - Cost Recovery	Open	2	
Deprivations of Liberty	Open	2	
Safe Recruitment	Complete	1	3
Joint Safeguarding Board Arrangements	Not started	3	
Deputyships	Draft	2	
Direct Payments - Compliance	Draft	2	
Troubled Families Grant	Ongoing	All year	N/A
Commissioning Board	Draft	2	
Schools Payroll & Safe Recruitment	Open	2	
Disabled Facilities Grant 16/17	Complete	1	1
Disabled Facilities Grant 17/18	Complete	3	3
<b>Economy, Transport &amp; Environment Directorate</b>			
Other Grants To Be Identified (Contingency)	Ongoing	All year	N/A
Highways Contract Management Arrangements	Open	3	
Highways Contract Open Book Reviews	Ongoing	All year	N/A
Street Lighting Private Finance Initiative (PFI)	Open	2	
Waste PFI Contract	Open	4	
Local Transport Capital Block Funding	Complete	1	3
Local Growth Fund Grant (Growth Deal)	Complete	1	1
Bus Services Operators Grant	Complete	1	2
Pothole Action Fund	Complete	1	2
Cycle City Phase II Grant	Complete	2	2
Section 31 Grant	Complete	1	1
<b>Public Health and Customer Service &amp; Transformation Directorates</b>			
Business Intelligence Continuity	Complete	1	3
Corporate Capacity Review Outcomes	Open	1	
<b>Key Financial Systems</b>			
Accounts Receivable	Open	4	



Purchase to Pay	Open	4	
Payroll	Not started	4	
General Ledger	Not started	4	
Bank Reconciliation	Open	4	
Treasury Management	Open	4	
Financial Systems IT General Controls	Not started	4	
Risk Management Audit	Not started	4	
CCC Debt Recovery	Open	3	
<b>Governance &amp; Risk Management</b>			
Risk Management	Ongoing	All year	N/A
Annual Governance Statement-Code of Corporate Governance	Ongoing	All year	N/A
<b>Information Governance &amp; IT Audit</b>			
Information Governance – General Data Protection Regulations	Open	2	
Information Security	Complete	3	3
Information Security Culture	Complete	1	3
ERP System IT Controls	Open	3	
Assurances from 3rd Parties	Complete	2	
IT Platform Stability Plan	Open	4	
Agresso Data Migration	Open	2	
<b>Anti-Fraud and Corruption</b>			
Preventative & Pro-active Fraud Work	Ongoing	All year	N/A
Fraud Investigations 17-18	Ongoing	All year	N/A
Community Transport Investigation	Open	1	
Direct Payments - D. Investigation	Complete	1	2
Social Care Charging Investigation	Draft	1	
Declarations of Interest Investigation	Open	3	
Teversham School Investigation	Complete	2	3
Thorngsleyfields School Investigation	Complete	2	3
Agency Worker Investigation	Open	3	
CCC 17-18 Fraud - Initial Referrals	Ongoing	All year	N/A
National Fraud Initiative	Ongoing	All year	N/A
<b>Other Planned Work</b>			
Advice & Guidance	Ongoing	All year	N/A
Freedom of Information Requests	Ongoing	All year	N/A
Follow-Ups of Agreed Actions	Ongoing	All year	N/A

Audit Plan	Ongoing	All year	N/A
Committee Reporting	Ongoing	All year	N/A
Management Reporting	Ongoing	All year	N/A

## APPENDIX B

# Summary of Outstanding Recommendations

(Recommendations as at the end November 2017).

Audit	Risk level	Summary of Recommendation	Target Date	Status
<b>Debt Recovery</b>	M	<b>Outstanding Debt Collection Procedures</b> Following the introduction of ERP Gold the following will be considered: - Producing reports and Key Performance Indicators (KPIs) in relation to information recorded on Notes. - Writing off account balances rather than individual transactions (if consistent with Financial Regulations).	31/08/17	This has been delayed due to some changes to published reports in the new ERP system and revised timescales for ERP implementation. The Debt team is looking into making changes to the system before go live.  <b>Awaiting revised target date.</b>
	M	<b>Policies and Procedures</b> Consideration should be given to developing a debt prevention strategy to be incorporated into the LGSS Collections Strategy and would set out the Council's approach to preventing debt e.g. through the promotion of direct debit, deferred payment, interest charges etc.	01/10/17	A draft, revised Collection Strategy is being finalised to strengthen/make explicit debt prevention activities and update on areas such as Late Payment Interest and this will be sent to the Head of Finance by 8 January 2018.  <b>Revised target date: 8.1.2018</b>
	M	<b>Payment Methods and Credit Control (1)</b> Consideration will be given to updating the LGSS Collection Strategy to include offering settlement rebates, customer credit limit and the imposition of penalties for late payment. However, such measures will require appropriate approval.	30/11/17	As above, a draft of the changes is being finalised for the Head of Finance by 8 January 2018.  <b>Revised target date: 8.1.2018</b>

	M	<b>Payment Methods and Credit Control (2)</b> Continuous encouragement is being given to service users to pay by direct debit and Debt Recovery Officers will actively promote this method of payment. Emphasis is also being placed on staff involved in financial assessments by focusing the service user's attention to signing up to a direct debit at this early stage.	01/07/17	The area where the biggest change can be made in getting service users to use direct debit is in social care. A form for setting up direct debits online has been created and is expected to be in use in early 2018.  <b>Revised target date: end February 2018.</b>
	M	<b>Payment Methods and Credit Control (3)</b> Consideration will be given to providing an annual statement to service users paying by direct debit. However detailed analysis, planning and evaluation of costs will be required. Such a change is a strategic decision and will require appropriate approval.	31/10/17	Work on this issue will be deferred until after ERP Gold has been implemented due to the required resources being deployed on the programme. (See Collection of Client Contributions recommendation below.)  <b>Revised target date: end April 2018.</b>
	M	<b>Reporting of Debt and Write-Offs</b> The Agresso system should include additional functionality in reporting write-offs such as write offs by reason code and write off by customer.	31/10/17	Work continues to test reporting functionality and whether reasons can be extracted from the system.  <b>Awaiting revised target date.</b>
<b>Domiciliary Care</b>	M	<b>Centralised System for Monitoring Missed Calls</b> Regular centralised monitoring of missed calls on AFM should be introduced, to identify any patterns. This should include cross-referencing to the Council's Soft Concerns Record.	08/05/17	New guidance on soft concerns has been produced. Awaiting confirmation that this can be cross-referenced to information in AFM about missed calls.  <b>Awaiting documentation.</b>
<b>Replacement of AIS system (MOSAIC Project)</b>	M	<b>Governance Arrangements and Benefits</b> Complete the final versions of the Business Case, Project Initiation Document and Terms of Reference for the Project Board, and have these signed off by the Project Board. Include the expected benefits of	31/03/17	This project has been completely reviewed and restarted since the initial audit took place. New project documentation has not yet been finalised.  <b>Revised target date: end December 2017.</b>

		the project, defined in a way that is measurable and with expected timescales.		Internal Audit is monitoring progress on this project through Board documentation.
	M	<b>Ongoing Contract Monitoring</b> It was agreed that the project would develop a plan for ongoing contract monitoring, to include who is responsible for it and how often it will take place (including how this will be managed once the project moves into business as usual) in accordance with the Council's Contract Procedure Rules.	31/05/17	This has been identified in the project review work as an area where a plan is required. The project is currently at too early a stage to set a timescale for this.  <b>Awaiting revised target date – to be confirmed end December 2017.</b> Internal Audit is monitoring progress on this project through Board documentation.
	M	<b>Service Level Agreement (SLA) with IT</b> It was agreed that arrangements would be finalised for the support to be received from LGSS IT once Mosaic is live. As this will be a business-critical system, an SLA needs to be in place with LGSS IT which details the support to be provided, timescales and arrangements for fixing system issues, and to define the responsibilities of the supplier and LGSS IT.	31/05/17	This has been identified in the project review work as an area where a plan is required. The project is currently at too early a stage to set a timescale for this.  <b>Awaiting revised target date – to be confirmed end December 2017.</b> Internal Audit is monitoring progress on this project through Board documentation.
<b>Client Contributions</b>		<b>Charging of Client Contributions</b> The introduction of Mosaic will potentially reduce the number of manual invoices being raised. Service administration teams are responsible for completing transaction checking to detect where committed income is not being invoiced for.	31/08/17	This will be dependent on the reports that can be run from Mosaic and the interface between Mosaic and ERP Gold. Finance will continue to check this, but won't know how this will be done until further in the development of Mosaic.  <b>Revised target date: end April 2018.</b>
	M	<b>Collection of Client Contributions (1)</b> A detailed review will be undertaken of the feasibility of giving service users who pay by direct debit an annual statement rather than four-weekly invoices. Such a change would require a strategic decision made by General Purposes Committee (GPC).	31/07/17	Work on this issue will be deferred until after ERP Gold has been implemented due to the required resources being deployed on the programme. (See Payment Methods and Credit Control (3) recommendation above.)  <b>Revised target date: end April 2018.</b>

	M	<b>Collection of Client Contributions (2)</b> Monitoring of the take-up of the direct debit payment method will be undertaken on a quarterly basis and reported as part of the Finance dashboard.	30/04/17	Direct Debit uptake will be added to the list of proposed measures for the finance dashboard, to be agreed by management teams.  <b>Awaiting revised target date.</b>
	M	<b>Deferred Payment Agreements</b> It will become mandatory for all new employees involved with deferred payments to undertake Care Act management training. These sessions will be provided once a quarter.	30/09/17	Development of training has started, but there have been some delays due to lack of capacity in the team.  <b>Revised target date: end January 2018.</b>
	M	<b>Services should apply to be transformed</b> Once services are able to determine the total cost of transactions by payment method, there should be a clear prioritisation for transforming services, based on the anticipated savings from transformation.	30/11/16	The roadmap for the Civica Icon project will include prioritisation for transforming services based on anticipated savings and the new data that can be obtained from Civica. Internal Audit has followed this up and has not received evidence to confirm that it has been completed.  <b>Awaiting documentation.</b>
<b>Payment Methods</b>		<b>Lack of Budget Holder oversight of costs</b> Once work to develop an understanding of the costs of processing transactions has been completed, the Council may benefit from a review of which traded services are charged payment processing costs, particularly given the increased shift towards trading in services. The methodology by which the costs of processing are charged out to services should be reviewed to confirm that it reflects the number/profile of transactions processed by the service.	30/09/16	Work has been undertaken by the Transformation Team during the first quarter of 2017/18 to ensure that all traded services have payment processing costs built into their budgets. Internal Audit has not yet seen evidence of how these costs are charged to budgets, which will enable the action to be confirmed as closed.  <b>Awaiting documentation.</b>

<b>Information Governance Policies</b>	M	<b>Asset management policies and procedures</b> As part of the new ERP Gold system there is a plan to create a "Resource Master File". Amongst other pieces of functionality this will record when a new/moving staff member is issued a piece of IT equipment. When a staff member who is on the system leaves their post their manager will be sent a reminder to recover the IT asset.	30/09/17	This has been delayed due to the go live date for ERP Gold being pushed back.  <b>Revised target date: end May 2018.</b>
<b>Ely Archives</b>	M	<b>Allowance for tender price inflation</b> As part of the development of the Council's Commercial Board, a 'commercial academy' training programme is being developed for officers who are responsible for contracts; commercial opportunities; procurement etc. This will be incorporated within the training provided.	30/06/17	An outline of the Commercial Development Programme went to Commercial Board in September. More work to develop the programme is required.  <b>Awaiting revised target date.</b>
<b>Transformation Programme Benefits Realisation</b>	H	<b>Governance Roles</b> Work to clarify the roles of Corporate Leadership Team (CLT) and Strategic Management Team (SMT) with a view to giving CLT a greater scrutiny role of the Transformation Programme. This work should make it clear which body has responsibility for approval, scrutiny and monitoring of different parts of the transformation programme.	31/07/17	CLT has been leading on the process of developing transformation proposals. New governance arrangements have not yet been formalised.  <b>Awaiting revised target date.</b>
<b>Section 106</b>	M	<b>S106 Monitoring system records</b> Following the introduction of a new S106 monitoring system, every scheme should be subject to detailed review to establish that all of the information relating to each scheme is complete and accurate.	30/09/17	This is dependent on procurement of the new monitoring system, which has been delayed. The system will need to link to ERP Gold for income monitoring, so this recommendation cannot be implemented until ERP Gold has gone live.  <b>Revised target date: end April 2017.</b>
	M	<b>S106 Master spreadsheet</b> Spend is already updated monthly on the monitoring spreadsheet. Once ERP Gold is implemented spend	30/09/17	This has not been completed due to delays in implementation of ERP Gold.

		will be updated more regularly on the system, however a large proportion will still be allocated at year end.		<b>Revised target date: end April 2017.</b>
<b>Energy Efficiency Fund</b>	M	<b>Financial Governance and Benefits Realisation</b> An overarching project plan should be established which records key information and is monitored on a regular basis.	31/10/17	An initial project plan has been seen, and will be updated in January.  <b>Revised target date: end January 2018.</b>
<b>Looked After Children Property</b>	M	<b>Lessons Learned Meeting</b> Transformation to implement a more standardised approach or guidance for lesson learnt meeting including details as recommended. It is also likely to be incorporated into Verto.	30/10/17	This is being followed up as part of the Project Management Methodologies work being undertaken by Transformation and Audit (see section 5.1, above).
	M	<b>Detailed Initial Planning</b> As part of the process of reviewing and approving Business Cases for savings in the Council's Business Plan, the Transformation Team should identify how the proposed savings are to be delivered, and provide challenge if delivery mechanisms do not align with the complexity of the planned saving proposal.	30/10/17	This is being followed up as part of the Project Management Methodologies work being undertaken by Transformation and Audit (see section 5.1, above).