

INTERNAL AUDIT PROGRESS REPORT TO 31st JULY 2017

To: **Audit & Accounts Committee**

Date: **19th September 2017**

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

1. PURPOSE

- 1.1 To report on the main areas of audit coverage for the period 1st June 2017 to 31st July 2017 and the key control issues arising.

2. BACKGROUND

- 2.1 The role of Internal Audit is to provide the Audit Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
- 2.2 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 31st July 2017

Section 1

1. FINALISED ASSIGNMENTS

- 1.1 Since the previous Progress Report to SMT in July 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.	People & Communities	Schools Capital Programme	Satisfactory	Good	Minor
2.	Cross-Cutting (CCC-wide)	Procurement Governance	Good	Good	Minor
3.	Cross-Cutting (CCC-wide)	Contract Procedure Rules	Good	Good	Minor
4.	Cross-Cutting (CCC-wide)	Scheme of Delegation Compliance	Good	Good	Minor
5.	Cross-Cutting (CCC-wide)	Procurement Compliance	Good	N/A	Minor
6.	People & Communities	Wisbech Children's Centre Financial Management	Good	Good	Minor
7.	People & Communities	St Neot's Children's Centre Financial Management	Good	Good	Minor
8.	Economy, Transport & Environment	Archives Financial Management	Satisfactory	Satisfactory	Minor
9.	People & Communities	Project Assurance – Looked After Children Property Project	Satisfactory	Satisfactory	Minor
10.	Cross-Cutting (CCC-wide)	Project Assurance – Energy Efficiency Fund	Satisfactory	Satisfactory	Minor
11.	People & Communities	Direct Payments Investigation	Investigation report.		
12.	Economy, Transport & Environment	Bus Service Operator's Grant	Grant certification provided.		
13.	Economy, Transport & Environment	Pothole Action Fund Grant	Grant certification provided.		

14.	Economy, Transport & Environment	Cycle City Phase II Grant	Grant certification provided.
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- 1.2 Summaries of the finalised reports with satisfactory or less assurance are provided in Section 6. This 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.	Corporate & Customer Services	Project Assurance – Citizen First, Digital First
2.	Cross-Cutting (CCC-wide)	Project Management Methodologies
3.	Cross-Cutting (CCC-wide)	Capital Programme Assurance
4.	People & Communities	Social Care Charging Investigation
5.	Economy, Transport & Environment	Interim Report to Management regarding Community Transport Investigation

- 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 July 2017, 8 cases had been referred to Audit.

Table 3: Internal Audit Investigations Caseload

Case Category	Description of activity or risk example	Cases	Outcomes
Direct Payments	Concerns regarding misuse or fraud relating to a direct payment.	1	Investigation concluded & report issued (see below).
Concessionary Travel	Misuse of travel passes	3	Ongoing investigation work.
Investigations	FACT Investigation Social Care Charging Review	2	Ongoing investigation work.
Schools financial	Concerns regarding financial irregularities in schools	2	Site visit arranged on one; the next to be arranged for the new term.
Totals		8	

2.2 DIRECT PAYMENTS INVESTIGATION:

Internal Audit completed an investigation into Direct Payments which identified some areas for improvement. This included needing clarification regarding the way that direct payments are monitored by the Council's Direct Payment Support Services, and ensuring that where an individual is in receipt of direct payments from a number of different services, that these are monitored effectively. A number of actions to address these areas have been identified and agreed, and a 'lessons learned' briefing on the case will be delivered to the SEND management team by Internal Audit in September.

Section 3

3 **IMPLEMENTATION OF MANAGEMENT ACTIONS**

- 3.1 The outstanding management actions as at the end of July 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, 63 actions have required follow-up to the end of July; 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. In several instances, the service has provided an update that the action has been completed, but Audit has yet to receive evidence of this and consequently these actions have remained marked as open.
- 3.3 Overall there has been a positive direction of travel since our previous report in July 2017, with 71% of actions now implemented (up from 62%).
- 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
Implemented	3	5% (0%)	42	67% (62%)	45	71% (62%)
Actions due within last 3 months, but not implemented	1	2% (0%)	11	17% (30%)	12	19% (30%)

Actions due over 3 months ago, but not implemented	0	0% (2%)	6	10% (6%)	6	10% (9%)
Totals	4		59		63	

4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE

A. PEOPLE & COMMUNITIES (P&C) DIRECTORATE

A.1 Education Capital Programme

A review was undertaken of the Council's Education Capital Programme, which found good assurance over the controls and satisfactory assurance over compliance relating to the programme. Schemes included in the programme complete milestone reports at each stage in their progress and these require sign-off before progression to the next step of the project. The review identified that at times there were delays in sign-off of these reports and in some instances Milestone 5 reports had not been signed off before works commenced on site. For some projects documentation appeared to be missing or incomplete and there were some discrepancies between scoring on capital investment appraisal documentation for projects and the scoring of those projects which was reported to General Purposes Committee.

A number of actions to address these issues were agreed with the service; in particular, it was agreed that a sign-off process would be introduced for the Letter of Intent (issued to the contractor to approve the start of site preparations, usually prior to the Milestone 5 report). It is anticipated that the introduction of the new Verto project management system will be a repository for all key documentation in future; although it was recommended by audit that a review of projects be undertaken to ensure all relevant documentation is held by the service, due to the service being required to transition between IT systems this will not take place until the transition is completed.

A.2 Project Assurance – Looked After Children Property Project

As part of a number of reviews focused on project management in 2017/18, an audit was conducted of the Looked After Children Property Project. This review identified a satisfactory level of assurance, meaning that the issues identified exposed the service to a medium level of risk. Most of the issues experienced by the project stemmed from the fact that the project was initially understood to be a simple procurement process rather than a full project, and subsequently a lack of clarity and co-ordination regarding governance arrangements and responsibilities resulted in delays to the project. Although work was undertaken to try to address these

problems in late 2016, a number of issues persisted particularly around governance arrangements, project management oversight and resources, and detailed planning. It was also noted that although a 'lessons learned' meeting had been held which identified a number of solutions to ensure that similar projects in the future would not experience the same issues, at the time of the audit report it had not been established how these actions would be taken forward.

As the project was nearly complete, audit recommendations primarily focused on the longer term. It was agreed that the Transformation Team will formally identify at Business Case stage whether or not a saving in the Business Plan is also a project, to ensure that in future projects are managed appropriately. Minutes from the 'lessons learned' meeting will be circulated to project officers and action owners and timescales for the actions would be established. The Transformation Team has also agreed to implement a more standardised approach or produce guidance on 'lessons learned' meetings, including ensuring that actions are assigned to owners and given timescales. This will be incorporated in the Council's project management software.

B. ECONOMY, TRANSPORT & ENVIRONMENT (ETE) DIRECTORATE

B.1 Project Assurance – Energy Efficiency Fund

As part of a number of reviews focused on project management in 2017/18, an audit was conducted of the Energy Efficiency Fund (EEF), a £1m fund (spread over four years) which was agreed as part of the 2016/17 capital budget with the intention of facilitating investment in energy-saving improvements which will contribute towards meeting carbon reduction targets and provide financial savings to the Council.

The review provided satisfactory assurance over the management of the Fund, meaning that some areas of control weakness were identified which presented a medium risk to the project. It is noted that responsibility for the EEF transferred to the ETE Directorate in April 2017 and this did contribute to some disruption and delays in confirming management and governance of the project.

It was agreed with the service that there was a need to develop monitoring systems for the project, particularly to provide regular review that the mix of schemes approved by the fund will meet the overarching aims of the scheme, and to monitor expenditure and payback periods to ensure the scheme meets its aims. A project plan will be developed to record key information on all schemes identified and approved, and clear governance structure including detailed responsibilities will be implemented and approved. Some improvements to the Business Case template for schemes proposed for inclusion in the scheme were also agreed.

B.2 Unannounced Visits – Archives Financial Management

Following a report from the Archives Service of minor cash losses from a till, a short financial management review was undertaken at the Cambridge Record Office. The review identified a satisfactory level of assurance over the control environment for financial management and compliance with this at the Cambridge office. Some control weaknesses were identified which meant that the service was exposed to a moderate level of risk; this included the fact that tills were not being counted daily, a lack of separation of duties, and records were not maintained in a till book. Some issues identified were as a result of the low numbers of staff in the service; Internal Audit has worked with the service to agree a number of actions to be implemented to improve control, and to identify how best to manage the arrangements given the low staffing numbers. Several of these actions, such as the introduction of daily till readings, have already been implemented, and it is anticipated that

5. OTHER AUDIT ACTIVITY

5.1 PRESSURES ON THE INTERNAL AUDIT PLAN

In the last quarter, the Internal Audit Plan has been re-assessed and updated in line with current risks facing the organisation and the Audit Charter as approved by the Audit Committee to give stakeholders an appropriate level of assurance; and to ensure resources are prioritised to the areas of highest risk.

This review has quantified the pressures identified early in the year and as a result there is a need to outline the options to mitigate the consequences of these pressures. A significant level of pressure has been identified within the Audit Plan as approved by the Audit Committee:

- **Community Transport Investigation** - Internal Audit has been assisting in an investigation into community transport, conducting investigative work and providing information to the police and external investigative firm. PKF, an external firm, have been commissioned to produce a report on this work at a fixed daily rate; by ensuring that Internal Audit prioritises collecting the information it will reduce the overall cost of this review to the organisation.

The resources needed to provide the requested documentation were significantly more than originally estimated, reflecting both the complexity of information and the difficulties experienced in accessing it.

Internal Audit has produced an interim report to management (currently at draft stage) regarding the control weaknesses identified as part of their work collecting information, and actions to address these are in the process of being agreed to ensure that controls are improved as promptly as possible (having due regard to the PKF investigation).

- **Follow Ups** – As noted in Section 3 of this report, the Internal Audit team has had an exceptionally high number of actions to follow up in the first half of this financial year, representing more actions than were followed up by the team in the entire of 2016/17. A significant amount of ‘chasing’ responses is required and, where some actions have been found to be unimplemented providing unexpected advice and support to services who were struggling to implement actions. While every effort is being made to follow up actions as efficiently as possible, the pressure means that more time than budgeted is likely to be required for this work to the end of the year.

- **Safe Recruitment** – The audit team are currently working on a review of Safe Recruitment across the Council. This has included testing to identify how positive results on Disclosure & Barring Service (DBS, formerly CRB) checks are dealt with. Early concerns identified resulted in Internal Audit needing to increase the sample size for this testing; consequently a small additional allowance of time is required to complete this high-risk area of work.
- **Ethics** – The audit team are currently working on a review of Ethics which has included cross-checking a sample of data from Companies House to identify whether officers and members are disclosing interests in organisations which trade with the Council. This audit was required to reflect national risks highlighted by professional bodies and as part of the action plan required by PSIAS. The initial sample identified very low compliance, and consequently the testing has been expanded to cover all available data to identify whether this is a systemic issue. As a result a small additional allowance of time is required to complete the work.

5.2 OPTIONS TO ADDRESS PRESSURES ON THE AUDIT PLAN

In simple terms there are two options regarding the additional resources required to complete the necessary work set out above; firstly that the Audit Plan is varied, to reflect the diverted resources, or secondly that CCC provides additional funding to complete all planned work. Changes to the plan require Audit Committee 'approval', and in reality the recommended solution will be a combination of both options.

(1) Suggested Changes to the Audit Plan - In order to manage the pressures discussed above, the following audits can be either reduced in time allowance; removed from the Plan, or deferred to next year's Plan.

- **Other Risk Based Audits** – no other audits would be undertaken, fully utilising the remaining provision in this budget for work on emerging risks.
- **Procurement Governance** – A review of Procurement Governance in 2016/17 identified good assurance over this area. This review could therefore be removed from the Plan for this year, given current pressures. Reviews of procurement compliance; EU Procurement Regulations, and procurement exemptions are included within the Plan, providing a basis for this area of control to have been audited in 2017/18.
- **People & Communities Contract Audit** – A review of a contract in the P&C Directorate was included in the 2017/18 Plan. An overall review of the

Commissioning Board in P&C is also scheduled, which would provide assurance over a similar area, and therefore given current pressures this review could be removed from the Plan.

- **Transformation Programme** – There is significant coverage of the Transformation Programme through other reviews in the Internal Audit Plan this year covering project management, and it is therefore suggested that this budget could be reduced.
- **Section 106 & CIL** - This audit area has been subject to significant review in previous years. A review in 2014/15 gave satisfactory assurance, while a review in 2016/17 gave satisfactory assurance over the control environment and good assurance over compliance, indicating a positive direction of travel. A number of issues previously identified related to problems with the service's IT software which is in the process of being re-procured in-year, and Internal Audit are following up on progress with this action with the service. It is therefore recommended that this audit could be removed from the current year plan and an audit included early in the 2018/19 Plan instead.
- **Public Health Joint Commissioning Unit** - A review of the new Joint Commissioning Unit in Public Health has been scheduled to take place in January 2018. This review could be removed from the current Audit Plan and deferred to the 2018/19 Audit Plan instead, with an audit taking place in early April. This would also have the advantage of allowing the arrangements longer to embed before the audit.

(2) Additional funding – the major area of unplanned, high priority work is the support needed for the PKF Community Transport investigation. To date 125 days have been assigned to this, reflecting the depth of unexpected complexity to extract information / documents.

There is an ability to mitigate these extra days within the existing Plan, however it is likely that it will not be possible to cancel audits of comparable days without undermining the plan's coverage. A detailed analysis will be undertaken in September and a proposal for additional funding will be submitted to the Chief Executive and S151 Officer accordingly.

The changes to the plan outlined above, if agreed, are estimated to provide sufficient compensating resources to manage the pressures within the Audit Plan set out at 5.1. It is not likely that any further pressures on resources within the year could be accommodated without affecting the level of assurance that can be provided by the Audit Plan. These issues are highlighted to provide a basis to gather SMT and Audit Committee (at the 19th Sept meeting) views regarding the

approach set out above and the potential future need for additional funding if further pressures develop and the impact on the plan cannot be otherwise mitigated.

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
Cross-Cutting and Council Wide Audit			
Agency Staff Compliance	Open	2	
EU Procurement Regulations - Compliance	Not started	2	
Review of Procurement - Compliance - Q1	Complete	1	2
Review of Procurement - Compliance - Q3	Not started	3	
Overtime & Enhancements in CFA	Open	1	
Members Travel & Subsistence	Not started	2	
Procurement Exemptions Compliance	Not started	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	Open	1	
Project Assurance - LAC Property Project	Complete	1	2
Project Assurance - CPSN	Open	1	
Project Assurance - Energy Efficiency Fund	Complete	1	2
Project Assurance - Citizen First, Digital First	Draft	1	
Project Management Methodologies	Draft	1	
Use of Consultants	Open	1	
Social Media Audit	Open	1	
Scheme of Delegation - Compliance	Complete	1	1
Capital Programme Assurance	Draft	1	
Capital Programme Board	Open	1	
Commercial Board	Open	1	
Key Performance Indicators	Not started	2	
Transformation Programme	Ongoing	All year	N/A
Fees and Charges Policy & Compliance	Not started	2	

Property Portfolio Development Project	Ongoing	All year	N/A
Ethics Policies & Compliance	Open	2	
Whistleblowing Policy & Compliance	Open	1	
People & Communities Directorate			
Governance of Financial Assessments	Open	1	
Traded Services - Cost Recovery	Not started	2	
Deprivations of Liberty	Open	2	
Safe Recruitment	Open	1	
Multi Agency Safeguarding Hub (MASH)	Not started	3	
Joint Safeguarding Board Arrangements	Not started	3	
Deputyships	Not started	2	
Direct Payments - Compliance	Not started	2	
CFA Contract Audit	Not started	3	
Troubled Families Grant	Ongoing	All year	N/A
Commissioning Board	Not started	2	
Schools Payroll & Safe Recruitment	Open	2	
Disabled Facilities Grant	Complete	1	1
Economy, Transport & Environment Directorate			
Other Grants To Be Identified (Contingency)	Ongoing	All year	N/A
Section 106 & CIL	Not started	2	
Highways Contract Management Arrangements	Not started	2	
Highways Contract Open Book Reviews	Ongoing	All year	N/A
Street Lighting PFI	Open	1	
Waste PFI Contract	Not started	2	
Local Transport Capital Block Funding	Open	1	
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
Public Health and Customer Service & Transformation Directorates			
Public Health Joint Commissioning Unit	Not started	4	
Business Intelligence Continuity	Open	1	
Corporate Capacity Review Outcomes	Open	1	
Key Financial Systems			

Accounts Receivable	Not started	3	
Purchase to Pay	Not started	3	
Payroll	Not started	3	
General Ledger	Not started	3	
Bank Reconciliation	Not started	3	
Treasury Management	Not started	3	
Financial Systems IT General Controls	Not started	3	
Risk Management Audit	Not started	2	
Procurement Governance	Not started	2	
CCC Debt Recovery	Not started	2	
Governance & Risk Management			
Risk Management	Ongoing	All year	N/A
Annual Governance Statement-Code of Corporate Governance	Ongoing	All year	N/A
Information Governance & IT Audit			
Information Governance - GDPR	Open	2	
Information Security	Not started	4	
Information Security Culture	Open	1	
ERP System IT Controls	Open	3	
Assurances from 3rd Parties	Not started	2	
Controls Review of Critical Systems	Not started	4	
Agresso Data Migration	Not started	2	
Anti-Fraud and Corruption			
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	
CCC 17-18 Fraud - Initial Referrals	Ongoing	All year	N/A
National Fraud Initiative	Ongoing	All year	N/A
Other Planned Work			
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
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APPENDIX B

Summary of Outstanding Recommendations

Audit	Risk level	Summary of Recommendation	Target Date	Status
Debt Recovery	M	Payment Methods and Credit Control Continuous encouragement is being given to service users to pay by direct debit and DROs 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. The construction of a portal on CCC's website is currently work in progress and should be available in the near future.	01/07/17	The area where the biggest change can be made in getting service users to use direct debit is in social care. However there have been some delays due to the IT support required. Revised target date: end September 2017.
Domiciliary Care	M	Centralised System for Monitoring Missed Calls 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	The new Principal Social Worker who has been allocated responsibility for the improvements to the Soft Concerns Record started work in May 2017. As a result of her initial work it has been identified that the database requires some IT development work to deliver the improvements required. A plan for this work, including timescales and input from IT colleagues, was due to be completed by the 31st July. It has now been delayed to September, as a new Adult Safeguarding Manager has recently been recruited. Revised target date: end September 2017.
	M	Use of the Soft Concerns Record The Soft Concerns Record (SCR) should be used to log complaints from all service users, including self-funders. An SCR category for missed/short/late calls should be introduced.	08/05/17	
Replacement of AIS system (MOSAIC)	M	Governance Arrangements and Benefits Complete the final versions of the Business Case, Project Initiation Document and Terms of Reference	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.

Project)		for the Project Board, and have these signed off by the Project Board. Include the expected benefits of the project, defined in a way that is measurable and with expected timescales.		Awaiting revised target date. Internal Audit is monitoring progress on this project through Board documentation.
	M	Ongoing Contract Monitoring 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. Awaiting revised target date. Internal Audit is monitoring progress on this project through Board documentation.
	M	Service Level Agreement with IT 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. Awaiting revised target date. Internal Audit is monitoring progress on this project through Board documentation.
Client Contributions	M	Budgeting and Forecasting It is intended that all teams will process client contributions through the AFM system by the end of June 2017 and this will also apply to Mosaic which should be fully implemented by the end of October 2017.	30/06/17	Adult Mental Health was the last service area to move to AFM. Some new cost centres have just been opened to enable it to convert to AFM. Revised target date: end September 2017.
	M	Charging of Client Contributions (1) Regular and frequent checks should be undertaken between the SWIFT and AFM systems to identify any service users who have been assessed for contributions where no collection is taking place. A report will be run to investigate the reason why SWIFT has not been set to bill and identify what	30/04/17	A quarterly process will be undertaken to reconcile commitments with what has actually been billed. The process for quarter 1 has been pushed back due to other pressures but is planned for distribution in September. Revised target date: end September 2017.

		further action should take place.		
	M	Charging of Client Contributions (2) Cross-checking will be undertaken between the AFM and ABACUS systems, to confirm that all full-cost service users are completely and correctly recorded.	30/04/17	The finance team have spoken to the FAB team to look into this, and a meeting will be held to do this cross-checking. Revised target date: end September 2017.
	M	Collection of Client Contributions (1) 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 GPC.	31/07/17	Work on this has not yet started due to the requirements and time allocated to ERP Gold. This will start to be looked at again in January. Revised target date: end January 2018.
	M	Collection of Client Contributions (2) 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	This has been delayed due to the resource requirements for ERP Gold and year end. Revised target date: end September 2017
Payment Methods	M	Services should apply to be transformed 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. Awaiting documentation.

	M	Lack of Budget Holder oversight of costs Once work to develop an understanding of the costs of processing transactions has been completed, consideration will be given as to whether 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	<p>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.</p> <p>Awaiting documentation.</p>
Information Governance Policies	M	Information Security Policies Representatives from the IT and Digital service will meet with staff from LGSS IT to ascertain: which information security policies are needed by CCC; which are currently in use; which have already been created by LGSS IT and can be adopted by CCC; and which still need to be created. An action plan should be created to ensure that policies are available to CCC staff within an appropriate time frame.	31/05/17	<p>A list of policies has been identified, and a meeting has been scheduled to put together an action plan.</p> <p>This has been followed up by Internal Audit following the revised target date of July 2017, but a final agreed action plan has not yet been created.</p> <p>Awaiting revised target date.</p>
Ely Archives	M	Allowance for tender price inflation 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	<p>A proposal is being developed with Workforce Development for a Commercial Acumen Development Programme. This is being taken to Commercial Board in September.</p> <p>Revised target date: end September 2017.</p>

Care Homes Embedded Assurance		Benefits Realisation Measurable benefits, including critical success factors for each phase of the project should be documented and agreed before the competitive dialogue commences. Each benefit should have an assigned owner who is responsible for planning and managing their achievement.	3 0/06/17	Benefits cannot be defined specifically at this stage, but outcomes will be set out when going into the competitive dialogue process, which is expected to start in November. Revised target date: end November 2017.
	M	Cost Management The budget for the project should be agreed as soon as possible. Once this is complete financial management and monitoring responsibilities should be confirmed.	30/06/17	Budgets for each individual project will not be set until after the competitive dialogue process, as there are a lot of variables around the market, need and land availability. A budget for setting up the separate projects will be agreed by September. Revised target date: end September 2017.
Transformation Programme Benefits Realisation	H	Governance Roles Work is currently being done around Business Planning and Transformation, including clarifying the roles of CLT and 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. Governance arrangements will be discussed with Internal Audit to ensure they mitigate the risks identified, and will be communicated to staff once they are finalised.	31/07/17	CLT has been leading on the process of developing transformation proposals. New governance arrangements have not yet been formalised. Awaiting revised target date.