

**AUDIT AND ACCOUNTS COMMITTEE MINUTES ACTION LOG FOR MARCH 2017 COMMITTEE MEETING**

<b><u>NO</u></b>	<b><u>TITLE OF REPORT / MINUTE AND ACTION REQUESTED</u></b>	<b><u>LEAD</u></b>	<b><u>PROGRESS / RESPONSE</u></b>
<b>ACTIONS ARISING FROM THE MINUTES OF THE 15<sup>th</sup> MARCH MEETING 2016 COMMITTEE MEETING</b>			
<b>1.</b>	<b>MINUTE 200 - CAMBRIDGE LIBRARY ENTERPRISE CENTRE REVIEW – UPDATE ON ACTION PLAN PROGRESS TO DATE</b>		
	<b>a) Confidentiality Agreement</b> - It had been agreed that Quentin Baker Director of Law, Procurement and Governance was the appropriate officer to prepare the relevant report.	<b>Internal Audit</b>	As reported to the January Committee meeting, Quentin Baker had indicated that the action would be completed by publishing the Confidentiality Agreements policy on the Council website which happened in February and can be viewed at the following link: <a href="http://sharepoint.lgss.local/Pages/Confidentiality-Agreements.aspx">http://sharepoint.lgss.local/Pages/Confidentiality-Agreements.aspx</a>  <b>Action completed.</b>
<b>ACTIONS ARISING FROM THE MINUTES OF THE 7<sup>th</sup> JUNE MEETING 2016 COMMITTEE MEETING</b>			
<b>2.</b>	<b>MINUTE 214 - ISA 260 UPDATE REPORT - REGISTRATION OF LAND PURCHASED FOR HIGHWAYS PURPOSES</b>		
	<b>There was a request for a six month progress update on the 18 month project to register all 6,000 parcels of land purchased for highways schemes with the Land Registry.</b>	<b>Mike Atkins / Camille Haggett (Rhodes)</b>	A report was presented to the 24 <sup>th</sup> January 2017 meeting. As a result of the revised timescale for the project, there was a request a receive a further progress report to the July Committee meeting to include details of investigations made into the potential

			for any land to be classed as surplus with a subsequent potential sale value.  <b>Action ongoing</b>
<b>ACTIONS ARISING FROM THE MINUTES OF THE JULY 2016 COMMITTEE MEETING</b>			
<b>3.</b>	<b>MINUTE 226. MINUTES</b>		
	<p><b>Minute 213 ‘Systems in place to ensure that Section 106 Funds do not go unspent’</b> recommendation that where Section 106 monies could not be applied against relevant expenditure by the deadline in the agreement, the County Council should ensure the developer was informed in due course. The Committee at its September meeting (Minute 251-8) agreed the following approach to be followed on identified unspent Section 106 monies:</p> <ul style="list-style-type: none"> <li>• Funds being applied against applicable expenditures,</li> <li>• undergoing discussions with a respective developer as to alternative possible uses for the funds, and if agreement was not possible, the funds being repaid.</li> <li>• that where there were any exceptions / negotiations requiring monies to be returned, the Committee should be provided with details, either via an email or a report. As an update, the November Committee meeting agreed that the updates should be provided on a six monthly basis.</li> </ul>	<b>S Heywood</b>	<p>An email was sent to the Chairman on 3<sup>rd</sup> March highlighting that all the previously identified expired S106 receipts had been applied against eligible expenditure except £59K from Sidgwick Avenue. Discussions on this were still on-going with the University as to how to use this. No further S106 receipts had expired without having been being used.</p> <p><b>Action completed for the six month period. The next update to be provided to the September meeting</b></p>
<b>ACTIONS ARISING FROM THE MINUTES OF THE 20<sup>th</sup> SEPTEMBER 2016 COMMITTEE MEETING</b>			
<b>4.</b>	<b>MINUTE 249. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31<sup>ST</sup> JULY</b>		
	Page 318 - It was noted that the <b>Transformation Fund</b> which was for one off funding initiatives to make better savings was forecast to		It was agreed at the November meeting that the update report back should come forward to the July 2017

	double in size as showing between the balance at July 2016 and March 2017. <b>There was a request that in due course a report should be received to illustrate the effectiveness / benefits of the spend undertaken.</b>	<b>S Heywood</b>	meeting. The report title had been added to the current Forward Work Programme  <b>Action ongoing</b>
<b>5.</b>	<b>MINUTE 251 – AUDIT AND ACCOUNTS COMMITTEE ACTION LOG FROM MINUTES</b>		
	<b>11. Statement of Accounts</b>		
	<ul style="list-style-type: none"> <li><b>C) Page 10 Reserves Background – request for a note No to be provided for the Chairman on Comparative Figures of other counties.</b></li> </ul>	<b>I Jenkins</b>	The officers had undertaken research from various published data but would clarify with the Chairman if it was the type of information he was seeking.  Information sent to the Chairman on an e-mail on 6th March. <b>Action completed</b>
<b>ACTIONS ARISING FROM THE MINUTES OF THE 29<sup>th</sup> NOVEMBER 2016 COMMITTEE MEETING</b>			
<b>6.</b>	<b>MINUTE 261 – CAMBRIDGESHIRE COUNCIL WORKFORCE STRATEGY UPDATE</b>		
	There was a request that once implemented, there should be a regular quarterly report on the Action Plan progress.	<b>Martin Cox / Lynsey Fulcher</b>	The first quarterly update report had been scheduled for the 30 <sup>th</sup> May Committee. The timetable had been dependent on the final Strategy being agreed at Full Council. Currently the timetable has slipped and a revised timetable is being sought from HR.  <b>Action ongoing</b>
<b>7.</b>	<b>MINUTE 264. INTEGRATED RESOURCES AND PERFORMANCE REPORT TO END OF AUGUST 2016</b>  <b>Children Families and Adults – Basic Need Secondary – reading “A revised budget for the project will be known in</b>	<b>S Heywood</b>	A response was sent to the Chairman on 5 <sup>th</sup> January 2017 explaining that the insurance claim discussions were still ongoing, with agreement on the range of the settlement, and these were figures provided in the e-mail. However the final figure would be dependent on

	<p><b>September, which will include funding from the loss adjuster”</b> the Chairman requested an update.</p> <p>It was explained that the detailed amount of the insurance claim for St Bede’s had not yet been settled but the officer would investigate further and once finalised would provide details of the settlement outside of the meeting</p>		<p>the level of fees the insurance company would fund. Once known the final figure settlement would be provided to the Chairman outside of the meeting.</p> <p>An update provided on 7<sup>th</sup> March indicated that the final figure was not likely to be known until “well into the next financial year”</p> <p style="text-align: right;"><b>Action ongoing.</b></p>
8.	<p><b>MINUTE 267 - TRADING UNITS UPDATE - MAIN BARRIER FOR THE MUSIC SERVICE BEING CURRENT RECRUITMENT PRACTICES</b></p>		
	<p>Matthew Gunn to discuss possible solutions with Chris Malyon and HR (Martin Cox) with support from the Head of Internal Audit if required and that progress should continue to be monitored.</p>	<p><b>M Gunn / C Malyon / M Cox / D Wilkinson</b></p>	<p>An update on 22<sup>nd</sup> February from Matthew Gunn indicated the following progress:</p> <p>Finance and Reserves – Chris Malyon has pointed me towards current guidance and I am working with colleagues in the traded services to put together a proposed approach to reserves for our commercial structures that can be considered by the finance team as a method of planning. Hoping to have the proposal ready by end of March.</p> <p>HR – Stephen Cox has put me onto Claire Read and she and I are exploring ways to simplify some of the sticking points in current processes. Some may be dependent on some systems development that is already planned, there are options for putting a proposal to Keith Grimwade and Wendy about the recruitment method, which again I hope to have ready for discussion by the end of March.</p> <p><b>Action ongoing.</b></p>

<b>9.</b>	<b>MINUTE 268- SAFE RECRUITMENT UPDATE</b>		
	<p>a) That in the event of a further Internal Audit Review finding a serious failure of safeguarding recruitment practice, that the local headteacher from the school(s) concerned should be required to attend the next available Audit and Accounts Committee and the Head of governors requested to do likewise.</p> <p>b) The above resolution should be made known to all the County's headteachers and schools heads of school governors.</p>	<p><b>D Wilkin-son / K Grimwade</b></p> <p><b>K Grimwade</b></p>	<p>a) This will be as and when necessary.</p> <p>b) An email dated 7<sup>th</sup> March confirmed school governors had been informed as part of the termly briefings. The breakfast meetings with headteachers was being undertaken in the week beginning 13<sup>th</sup> March and this would be followed up in writing in the same week following the breakfast meetings. <b>Action due to be completed by the time the Committee meets.</b></p>
<b>ACTIONS FROM THE 24<sup>TH</sup> JANUARY 2017 MEETING</b>			
<b>10.</b>	<b>MINUTE 275 INTERNAL AUDIT PROGRESS REPORT</b>		
	<p>a) <b>Safeguarding and safe recruitment</b> - letter of significant concern was being drafted to go to the school that had received no assurance with a target date at the end of January.</p>	<b>M Kelly</b>	Confirmation was received by Democratic Services in February that the letter of concern was sent to the school and that they had subsequently responded to the Director of Learning with a revised action plan detailing how they would address the concerns raised by the audit.
	<p>b) <b>Draft financial procedure for residential units for looked after children to be created</b> and shared with Internal Audit for comments, with a final policy to be agreed by the end of January 2017 and reported to the next Committee.</p>	<b>M Kelly</b>	Confirmation of whether this has been implemented was to be provided as part of the normal section in the internal Audit progress report on actions completed/not completed included later on in this agenda.

	<p>c) <b>The Public Sector Internal Audit Standards External Review regarding compliance by Internal Audit.</b> This identified no areas of non-compliance that would affect the overall scope or operation of Internal Audit activity and was an extremely positive result. Some areas of improvement had been identified, including a revision of the current terms of reference template used by Internal Audit. The draft action plan would address the areas requiring improvement before a follow up assessment was conducted in 2016-17. <b>Action: The Chairman requested milestone dates be provided.</b></p> <p>d) The Troubled Families Grant Process Review had now been completed, with Internal Audit working closely with the service to monitor progress on the claims made against the grant. <b>Action: the Chairman requested progress updates be provided in future reports.</b></p> <p>e) <b>Audit on missed, short and late calls in Domiciliary Care. - regarding the recommendations around changing the format of the Soft Concerns Record which had not been implemented the Chairman requested updates on progress to be provided in future reports.</b></p>	<p>M Kelly</p> <p>M Kelly</p> <p>M Kelly</p>	<p>Providing milestones for the PSIAS action plan was to be reported on as part of the Internal Audit Progress Report included later on this agenda.</p> <p>Ditto above.</p> <p>Ditto above</p>
11.	<b>MINUTE 276 CAMBRIDGE LIBRARY ENTERPRISE CENTRE UPDATE</b>		
	<p>a) Arrangements were being made to make it available on the intranet. The item could be marked as closed, once it was available on the intranet.</p>	<p>Q Baker / M Kelly</p>	<p><b>See item 1. Action completed.</b></p>

	b) to agree to invite the Head of Transformation to the May meeting of the Audit and Accounts Committee, to provide a further update on the implementation of revised project management processes and the Council's Transformation Programme.	<b>M Kelly / R Sanderson</b>	This had been added to the Committee Work Programme/ Internal Audit would be briefing the Head of Transformation on the Committee's requirements in due course.  <b>Action ongoing.</b>
<b>12.</b>	<b>MINUTE 277 ELY ARCHIVE</b>		
	To receive a report back to the March meeting a stepping stone progress report	<b>D M Kelly</b>	Included on agenda.  <b>Action completed.</b>
<b>13.</b>	<b>MINUTE 279 REGISTRATION OF LAND PURCHASED FOR HIGHWAYS PURPOSES</b>		
	a) To receive a progress report to the July Committee meeting including details of investigations made into the potential for any land to be classed as surplus with potential sale value.	<b>C Rhodes</b>	This has been programmed. See Item 2.  <b>Action ongoing.</b>
	<b>MINUTE 280 REPORT ON THE LEARNING POINTS FROM THE PRODUCTION OF THE 2015-16 STATEMENT OF ACCOUNTS</b>		
	a) <b>The Chairman requested to see the Gantt chart.</b>	<b>I Jenkins</b>	The Gantt chart has been provided to the Chairman as requested.  <b>Action completed.</b>
	b) <b>To receive a specific report at the March meeting on the implications of the changes to the statutory deadlines for the production of the 2017-18 accounts.</b>	<b>I Jenkins / J Lee</b>	Report included later on the agenda.  <b>Action completed.</b>

<b>14.</b>	<b>MINUTE 281 CORPORATE RISK REGISTER (CRR) UPDATE</b>		
	a) <b>Improvements required for Appendix 1</b> as without the numbers of the risk ( <i>which had previously been provided</i> ) it was not easy to understand. <b>Action: Tom Barden undertook to discuss further with the relevant officers to look at ways of improving the presentation.</b>	<b>T. Barden</b>	6 presentations showing how the risk map could be changed were sent to all Committee Members on 8 <sup>th</sup> March 2016 asking for feedback and comments. A possible option is included in the Risk Management report on the current agenda as part of the discussion of the proposed review of the Corporate Risk Register (CRR).
	b) <b>Outstanding request from reviewing other Corporate risk registers on whether SMT considered any changes were necessary to take account of potential risk gaps.</b>	<b>Tom Barden / Sue Norman</b>	A report highlighting the changes to the CRR is included on the current agenda which covers the issues referred to. A review of the whole risk register, in light of the benchmarking work and good practice, will be undertaken in April and May 2017.
	c) <b>the Head of Internal Audit undertook to furnish Tom Barden with the details</b> of a benchmarking exercise carried out on 11 authorities to assess the number of corporate risks they carried.	<b>Duncan Wilkinson</b>	Details were provided on 6 <sup>th</sup> March.  A report on the current agenda highlights the changes made to the CRR. The benchmarking report shows that Cambridgeshire has an above median number of risks, and that many authorities have fewer.
	d) <b>Risk 1b Failure to deliver the current 5 year Business Plan 2016-2021 - Trigger 3 reading ‘Organisations not sufficiently aligned to face challenges’</b> The Chairman expressed concern that for such an important risk there seemed to be few actions and requested that this be looked at further.  e) <b>Risk 3 ‘The Council does not have appropriate staff with the right skills and experience to deliver the Council’s priorities at a time of significant demand pressures’</b> The Chairman linked this to the earlier point regarding what the	<b>T Barden</b>	Actions to manage the risk of failing to deliver the Business Plan are reported in the Integrated Finance and Performance Report, which also contains links to detailed actions in the Finance and Performance Reports to Service Committees.  Response from Caroline Adu-Bonsra - HR Business Partner, LGSS - Currently it is not clear what the detailed impact of Brexit will be and it is unlikely that employment law issues will be considered until at the



**robust enough especially when a replacement was sought at short notice.**

**b) Councillor Crawford suggested that the probability score should be higher to reflect the current issues regarding delayed transfers of care from hospital, not enough care home places were available and that the delays in assessments were adding to the problem. Action: Officers to revisit the scoring to see if a change was required and circulate to the whole Committee.**

carry out spot checks at all schools and also follow up any concerns raised by any stakeholders:

Appendix C – Code of Practice and Procedures

DBS checks

All drivers, passenger assistants or other staff who will have direct contact with any child, young person or vulnerable adult whilst delivering Council contracts must have first completed a **DBS check** through the Council. The ID badge or equivalent document that is issued to prove this must be **displayed on the individual** or carried by the member of staff whenever carrying out a Council contract.

If any member of staff becomes aware of an intended or possible prosecution, or any other fact that means the outcome of a new DBS, if undertaken, might be different from their original check with the Council, they must immediately inform their employer.

**Response to b)**

This corporate risk is on to the CFA Risk Register, where the residual risk is scored as 5 in terms of likelihood. This is already as high as the scoring systems allows.

A range of work is underway to mitigate the impact of this risk and reduce the probability if possible. This includes the employment of a Home Care Development Manager, the establishment of 'Neighbourhood Cares' pilot areas to support the development of locally based personal care services, the establishment of a specialist occupational therapy team, investment in assistive technology, the





15.	<b>MINUTE 282. INTEGRATED RESOURCES AND PERFORMANCE REPORT TO END OF NOVEMBER 2016</b>		
	<p>a) <b>Forecast overspend for Looked after Children (LAC)</b>  <b>Budget was</b> £3.5m, which was an increase of £0.5m on the previous month. As this budget had, for many years a history of overspending, the Chairman wished to know what measures were being taken to improve future forecasting.  <b>Action: The Interim Director was asked to provide an explanation of the reasons for the overoptimistic forecasts for the LAC numbers and what measures were being looked at to set a more realistic budget at the beginning of the new financial year.</b></p>	<p><b>S Heywood to take up with Wendi Ogle-Welbourn</b></p>	<p><b>An email response was sent to the Chairman on 3<sup>rd</sup> March from Wendi Ogle-Welbourn indicating that:</b></p> <p>The strategy in 2016/2017 for Children Looked After was to reduce the number of children coming in to care and provide alternative services to support them to live at home. There has been a number of initiatives to support children to remain at home safely, however in line with all other local authorities in the country children in care numbers have increased significantly, including a big increase in unaccompanied asylum seeking children and older young people who have complex emotional needs (linked to exploitation often). This has put added pressure on our in house fostering services and we have not had enough places for children coming into care, we have had to use independent fostering placements which are double the cost. So these two things have created the current budget pressure.</p> <p>For 17/18 and beyond the children in care strategy will comprise of not only numbers of children in care we expect, but also the composition of placements. We can expect the numbers in care to be at about 600 this is in line with our region, this does not include unaccompanied asylum seeking children and this will sit at around 90 as we are expected to take 0.07% of our child population.</p> <p>I am meeting with the Executive Director of Resources on the 14<sup>th</sup> March to discuss the strategy for 17/18, this will have a sound evidence base that will be costed –</p>



			<p>Officers propose to produce a summary of the monthly position throughout the current financial year to show how the position has moved (up and down) through the period. This will not be a 'quick-fix' area and some of the actions will take 6-12 months to show positive impacts in terms of overall debt figures. General Purposes Committee have requested an update report for their September meeting.</p>
--	--	--	--

### Appendix 1 Extract Minutes General Purposes Committee 29<sup>th</sup> November Cambridgeshire Guided Bus defects

It was resolved to:

- a) Note the advice of the Council's expert technical advisers regarding the causes of, and options, for rectification of the defects as set out in the report and Appendices A, and B.
- b) Note the advice of Mr Stephen Furst QC regarding the Council's legal remedies and assessment of the strength of case, as set out in confidential Appendix C.
- c) Resolve to carry out works on the basis of Option 1 from this report to rectify all of the superstructure, foundation and drainage defects in accordance with the assessment of the Project Manager and the advice of the Council's expert technical advisers, subject to securing funds from Bam Nuttall in accordance with the defect provisions in the construction contract or alternative legal argument.
- d) Instruct Officers to initiate negotiations and any necessary legal proceedings to recover the assessed cost of defect correction in accordance with the contract, consequential losses arising from those defects, and any costs incurred to date and incurred in future in investigating and taking advice on the defects and to report to General Purposes Committee as those negotiations continue. Final decisions on the outcome of those negotiations are to be reported to General Purposes Committee and decided by Full Council.

- e) Note that in the event that a settlement was not reached and it was necessary to pursue the matter through the courts the estimated costs of legal action would exceed the amount remaining in the specific reserve and agree that any additional costs should be met from the general reserve, this to be approved by the General Purposes Committee.

## **APPENDIX 2 EXTRACT FROM MINUTES OF GENERAL PURPOSES COMMITTEE**

### **MINUTE 296. LEVEL OF OUTSTANDING DEBT**

The Committee received an update on the current level of debt and actions being taken to manage it presently, to review the targets set and proposed actions to control it further. Attention was drawn to the background which included the fact that the Council had not been achieving its Integrated Resources and Performance Report debt targets set for some time and the total operational debt outstanding. Members focussed on Adult Social Care debt and noted benchmarking figures against neighbouring authorities. During a detailed discussion, the following points were raised by some Members:

- welcomed proposed suggestions particularly in relation to working with Addenbrooke's and Hinchingsbrooke Hospitals.
- the need to prevent people from getting in to debt. One Member queried whether any Transformation Fund bids were focussing on this area particularly regarding making sure that people were charged the right amount in a timely fashion. The Director of Customer Service and Transformation reported that digital systems were being made as effective as possible to enable people to make electronic payments. Staff were working closely with colleagues in Adult Welfare Benefits and Financial Assessments in order to provide users with the right advice and support. The Head of Finance Operations added that his staff worked closely with social care colleagues to help people know exactly what they needed to pay at the start.
- expressed concern about the use of external debt collection agents. Whilst some people saw being in debt to the Council as a low priority, there were others who were vulnerable and in poverty. It was therefore important that they were not bullied or harassed. It was suggested that the work of these agents should be monitored. The Head of Finance Operations reported that he was very mindful of that and as such quarterly reviews were carried out. Cases were vetted and clients visited by Council staff before external agents were sent. External agents were instructed to contact the Council if they identified potential issues.
- highlighted the need to bear in mind the reputational risk to the Council particularly in relation to using an external debt collection agent to collect debt of less than £250. The Chairman raised the need to circulate the filter process to Members. Another Member also required a briefing on the external debt collection agencies being used. **Action Required.**

- queried why there were no benchmarking figures for Leicestershire County Council. It was noted that the information had not been provided. The LGSS Finance Director reported that together with the Head of Finance Operations he would be visiting some neighbouring authorities to discuss how they managed outstanding debt.
- queried the proposal to rebase the target to current level otherwise the position of continually reporting under performance would persist. The Chairman was of the view that the target should be based on the best performing authority. Unfortunately it was not possible to set this target without the necessary information. With the agreement of the Committee, he proposed deleting recommendation (viii) and replacing it with the following “the Chairman work in conjunction with the Chief Finance Officer in order to define debt targets and to issue further briefings on questions raised at General Purposes Committee, with the agreement of final targets to be delegated to the Chief Finance Officer, in consultation with the Chairman.”
- highlighted the need, given its controversial and sensitive nature, of reviewing debt collection after six months. It was suggested that the review should include some anonymised case studies. The Chairman proposed that the review process should take place after one year. The LGSS Finance Director informed the Committee that it was proposed to join the East Midlands Social Care Finance Group Benchmarking Club. He reported that a year would enable him to provide the Committee with information for a review. The Committee supported a proposal to receive a review in September 2017. **Action required.**

It was resolved unanimously to agree:

- (i) that the Debt Service continues to engage with Cambridgeshire County Council (CCC) to convert services to pay on application using online processes wherever possible with particular focus on eradicating all low value invoices being issued for less than £250.
- (ii) that the Debt and Financial Assessment Services continue to engage with Adult Social Care (ASC) on process changes designed to improve the speed information was provided/shared, the collection and sharing of data on care packages and increase direct debit penetration with the aim of securing one for all new cases with immediate effect.
- (iii) that the Collections Strategy had been reviewed and updated to reduce the timescales before intervention took place and implement a clear direction for how low value invoices would be managed to enable resources to be deployed in the most effective way.
- (iv) that the Debt Service continues to assess the effectiveness of the current debt collection agencies, whether they should continue to be used (or replaced) and how best this type of service could be used to support collecting debt.

- (v) that once access to DWP CIS was available, introduce telephone financial assessments to speed up the invoicing process and reduce the potential for bad debt to occur.
- (vi) that once access to DWP CIS was available, in collaboration with ASC introduce a provisional charge matrix to replace the current full cost approach where a financial assessment cannot be completed to minimise the likelihood of debt accruing that was not actually due.
- (vii) to continue with the implementation of the ICON system and seek with CCC to exploit its full potential in due course.
- (viii) the Chairman work in conjunction with the Chief Finance Officer in order to define debt targets and to issue further briefings on questions raised at General Purposes Committee, with the agreement of final targets to be delegated to the Chief Finance Officer, in consultation with the Chairman.
- (ix) that General Purposes Committee review the arrangements in September 2017.