TITLE   INTERNAL AUDIT PROGRESS REPORT

To: **Accounts and Audit Committee**

Date: **24ᵗʰ March 2020**

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

1.   PURPOSE

1.1   To report on the main areas of audit coverage for the period to 31st January 2020 and the key control issues arising since the last update provided to the Audit & Accounts Committee on 28ᵗʰ January 2020.

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   Cambridgeshire County Council (CCC) Joint Management Team (JMT) considered this report on 5th March 2020 prior to its submission to the Audit & Accounts Committee on 24th March.

3.   RECOMMENDATION

The Committee is asked to note and comment on the report.

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LGSS Internal Audit & Risk Management

Cambridgeshire County Council

Update report

As at 31st January 2020

1. FINALISED ASSIGNMENTS

1.1 Since the previous Progress Report in January 2020, 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.	LGSS	Administration of the Cambridgeshire Pension Fund	Good	Substantial	Minor
2.	Customer & Digital Services	Complaints Process	N/A	Satisfactory	Minor
3.	Customer & Digital Services	Cyber Security and PSN Compliance	Satisfactory	Satisfactory	Minor

1.2 Summaries of the finalised reports with satisfactory or less assurance are provided in Section 4.

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

Table 2: Draft Reports

No.	Directorate	Assignment
1.	LGSS	Procurement Governance
2.	LGSS	Procurement Waivers for Procurement outside of contract Procedure Rules
3.	LGSS	Procurement Compliance

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

2. FRAUD AND CORRUPTION UPDATE

2.1 CURRENT INTERNAL AUDIT INVESTIGATIONS:

A summary of the current open 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, which the Internal Audit and Counter Fraud team has worked on since the start of the 2019/20 financial year (i.e. some cases may have first been reported in the previous financial year and some will be included in the figures in table 4 below).

Table 3: Internal Audit Investigations Caseload

Case Category	Description of activity or risk example	No.	Outcomes to date
Investigations	FACT Investigation	1	Ongoing support to post-report process.
	Allegations of fraud	8	4 Internal Audit reviews underway, three police referrals, one HR referral.
	Manor Farm review	1	In progress
	Allegations regarding misuse of a Direct Payment	1	Investigation in progress.
	Governance	1	Ongoing Internal Audit investigation
	Suspected bank mandate fraud at a school	1	Advice provided.
	Information Security	1	Investigation in progress
	Blue Badge cases	6	Investigation in progress
Totals		**20**	

2.2 WHISTLEBLOWING CASELOAD:

A summary of the 2019/20 whistleblowing referrals is provided below. A high volume of whistleblowing referrals has been received in-year, with 36 referrals (including blue badge

cases) received to date, a significant increase on previous years. For context, in 2018/19, Internal Audit recorded a total of 19 referrals for the entire financial year.

Please note that the table below includes cases which were initiated as whistleblowing cases to Internal Audit, but have subsequently been passed to HR or another appropriate service to investigate/address under the relevant corporate policy (for instance, corporate complaints or grievance cases).

Table 4: Whistleblowing Caseload

Case Category	Description of activity or risk example	No.	Status
Whistleblowing	Complaints	2	Closed – passed to services (below investigation threshold)
	Allegations of fraud	4	Closed – no major concerns or further action needed after initial review
		8	Open
	Allegations of theft	2	Closed – low level cases, advice provided, one police referral
	Allegations relating to governance	1	Closed – review found no basis for the allegation
		1	Open
	HR issues (grievance, disciplinary, etc.)	1	Closed – instigation concluded no wrongdoing
		2	Open
	Information Security concerns	1	Open
	Safeguarding allegations	1	Closed – no action required as issue already identified through Ofsted and plans in place to address
	Blue Badge cases	6	Open
		7	Closed – including 2 successful prosecutions
		36	

3. IMPLEMENTATION OF MANAGEMENT ACTIONS

3.1 The outstanding management actions as at the end of January 2020 are summarised in Table 4 below, which includes a comparison with the percentage implementation from the previous report (bracketed figures).

3.2 There are currently 19 management actions outstanding. Further detail on all outstanding actions is provided at Annex B.

Table 5: Outstanding Management Actions (Year To Date)

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
Implemented	1	1% (1%)	64	76% (79%)	65	77% (81%)
Actions due within last 3 months, but not implemented	0	0% (0%)	7	8% (14%)	7	8% (14%)
Actions due over 3 months ago, but not implemented	0	0% (0%)	12	14% (5%)	12	14% (5%)
Totals	1		83		84	

4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE

4.1 RESOURCES DIRECTORATE

4.1.1 Complaints Process

This audit was undertaken to provide assurance as to the adequacy of the process for managing complaints. There is no corporate complaints policy and procedures defining the Council's approach to and the sequence of steps to be followed in handling customer complaints. Instead, a Corporate Complaints Leaflet with minimal details was in place that did not cover an end to end complaints process. This in part led to undocumented local procedures having been developed in each directorate with inconsistences and a lack of clarity amongst directorates processes, including: record keeping; complaint acknowledgement; follow ups; escalations; and reporting.

Satisfactory assurance was given in part as the Council had already recognised that the lack of a central complaints policy could have an adverse impact on the efficient and effective management of complaints. To address this, a Feedback Policy (including compliments and suggestions) has been drafted and is under review. In addition, plans were already underway to develop and implement a digital complaints management solution to provide efficient and consistent management of complaints across the Council.

A review of the draft Feedback Policy found it to cover key areas but that it would be necessary to be supplemented by complementary detailed guidance on the end to end complaints process, including use of the new digital complaints solution. Accordingly, recommendations were agreed to launch the Feedback Policy and digital complaints solution at the earliest opportunity and to develop detailed guidance to support effective and efficient complaints management.

It was also noted that there was no complete or consistent reporting arrangements in place across Directorates and that where management reporting arrangements were in place, they were time consuming manual processes. Accordingly, the Council as a whole did not have a complete oversight of complaints/complaints processes. Recommendations have been made to implement Council wide monitoring and reporting utilising the soon to be implemented digital complaints solution.

4.1.2 Cyber Security and PSN Compliance

This audit was undertaken to provide assurance as to the adequacy of the Council's Cybersecurity arrangements. The benchmark used for the audit was the National Cyber Security Centres (NCSC) "10 steps to Cyber Security". The 10 steps have been endorsed by the Ministry of Housing, Communities & Local Government

Satisfactory assurance was given as the Council has a Public Sector Network (PSN) certificate in place. PSN certification is the means by which a local authority demonstrates to central government that its security arrangements, policies and controls are sufficiently rigorous for the local authority to interact with the PSN and those organisations connected to it. The PSN process includes obtaining a health check from a recognised provider which includes network penetration testing. Having PSN certification in place also provides assurance to the Council in four of the "10 steps to Cybersecurity" areas. These are: Network Security; Removable Media Controls; Secure Configuration; and Managing User privileges

Positive assurance was also provided by the personal data risk on the Corporate Risk Register. This includes mitigating controls relevant to cyber security such as mandatory security training for all staff.

A number of control weaknesses were identified during the audit. These being addressed through the following recommendations:

- The Council should develop a wider Cyber Security Policy in addition to the LGSS E-Safety Policy. This should outline the Councils approved approaches to cyber security, its ongoing security control framework and how it safeguards the Council from the threat of cyber attacks. It should also provide an overarching governance policy for the protection and security of Council information and data.

- A number of information technology and data policies examined require a full review and possible update to reflect the latest position of the Council in these areas.

- The Council should develop and approve a full Mobile and Home Working Policy that should include information on cyber security.

- The Council should prepare risk appetite statement for cyber security that should set out the level of risk they are able to accept when implementing new initiatives.

- The Council should review the use of personal email accounts by IT users and how this may impact on information security policies and practices.

5. OTHER AUDIT ACTIVITY

5.1   DEVELOPMENT OF THE AUDIT PLAN 2020/21:

Internal Audit has developed a draft Internal Audit Plan for the 2020/21 financial year. This work includes identifying areas for review through:

- Consulting with individual Directors and Directorate Management Teams.
- Gathering intelligence from the outcomes of audit reviews in 2019/20.
- Identifying major corporate contracts due for review.
- Assessing areas of coverage which were deferred from the 2019/20 Plan.
- Identifying key legislative changes which may impact the Council in the coming year.

Areas for review identified as a result of these processes have been risk-assessed and prioritised for inclusion in the 2020/21 Plan based on the level of risk associated with them.

JMT approved the plan on 21st February 2020. The Plan will be presented to Audit & Accounts Committee for review on 24th March 2020.

6.   INTERNAL AUDIT RESOURCES

The Shared Service model is resourced across the 3 'owners' of LGSS with staff employed by CCC, MKC and NCC but who may work exclusively or in part for other IA clients. Specialist IA skills are delivered across the shared service including IT Audit, Risk Management and Fraud (investigation and pro-active).

The CCC IA plan proposes 1,750 days to meet Public Sector Internal Audit Standards of coverage. The 20/21 plan is supported by:

(1) Shared service support including:
- Chief Internal Auditor leadership and management
- IT Audit : approx. 25 days from MK team
- Risk : 25 days from Risk lead
- Fraud : 25 days from NCC team

(2) CCC focussed posts providing 1,660 audit days @ 90% productivity:
- Head of Audit (East)

- Audit Manager (currently on Maternity Leave)
- 3 x Principal Auditor posts (1 currently vacant)
- 2 x Senior Auditor posts
- 3 x Associate Auditor (Trainee) posts (1 currently vacant)

Current vacancies / absences reduce the total available resource by 485 days. The service does benefit from Graduate Finance Trainee roles (2 posts) however these are currently just being appointed and are considered to contribute more productivity than required to train and develop them only after 9-12 months.

CCC INTERNAL AUDIT PLAN 2019/20

Summary of Progress:

Total Completed Audits from 2019/20 Audit Plan	**19**
Total Audits at Draft Report Stage	**3**
Total "Ongoing" Work *(i.e. which does not have a specific end date, but will close at the end of the financial year)*	**11**
Total Open Audits	**35**
Total Not Yet Opened Audits	**9**

Full Audit Plan:

Audit	Status	Quarter Opened	Quarter Closed
VAT	NOT OPENED		
Unannounced Visits	OPEN	Q3	
Development of Project Assurance Framework	ONGOING	N/A	N/A
Project Assurance of High Risk Projects	OPEN	Q2	
Business Continuity	CLOSED	Q1	Q3
Financial Planning, Demand Management and Control	NOT OPENED		
Contract Management - Eastern Highways Alliance	OPEN	Q2	
Contract Management - Home and Community Support Service Framework	OPEN	Q2	
Contract Management – Supported Living Services for Adults with a Learning Disability	OPEN	Q2	
Contract Management - Cambridgeshire Lifestyle Services	OPEN	Q1	
High Value Supplier Contract Management Reviews	OPEN	Q2	
Business Continuity for Key Contracts	OPEN	Q2	

Contract Management Policy and Guidance	OPEN	Q2	
Transformation Fund Benefits Realisation	OPEN	Q2	
Annual Key Policies & Procedures Review	OPEN	Q3	
Procurement Governance	OPEN	Q2	
Procurement Compliance	OPEN	Q2	
Procurement Waivers for Procurement Outside Contract Procedure Rules	OPEN	Q3	
Consultancy Policy Compliance	OPEN	Q3	
LGSS Law Ltd	OPEN	Q1	
Regulation of Investigatory Powers Act Policy Compliance	CLOSED	Q2	Q3
Property Asset Disposals & Acquisitions Policy Compliance	OPEN	Q3	
County Farms Process & Practice	OPEN	Q1	
Fire Safety Checks	CLOSED	Q1	Q3
Residential & Nursing Contract Management	OPEN	Q1	
Rental Income	CLOSED	Q1	Q3
This Land Limited	OPEN	Q1	
Annual Whistleblowing Policy Report and Awareness	OPEN	Q3	
Direct Payments - Prepayment Cards	OPEN	Q2	
Troubled Families Grant	ONGOING	Q1	N/A
Disabled Facilities Grant	CLOSED	Q1	Q3
Special Educational Needs Placements	OPEN	Q2	
Annual Safeguarding Assurance	OPEN	Q2	
Provision of Section 17 Financial Assistance	OPEN	Q1	
Safeguarding Clients' Personal Assets - Compliance	OPEN	Q2	
Highways Stage 1 Open Book Review (Client)	CLOSED	Q1	Q2
Highways Commercial Group	ONGOING	Q1	N/A
Highways Contract Stage 2 Open Book Review (Contractor)	OPEN	Q3	
Highways Contract Governance Processes	OPEN	Q1	
Waste PFI Renegotiation of Contract	ONGOING	Q1	N/A
Local Transport Capital Block Funding	CLOSED	Q1	Q2
Bus Service Operators	CLOSED	Q1	Q1
Pothole Action Fund	CLOSED	Q1	Q2
Cycle City Phase II	CLOSED	Q1	Q2
Safer Roads Funding	CLOSED	Q1	Q2
Chisholm Trail 19 - 20	OPEN	Q2	
Coroners Service	OPEN	Q1	
Additional Highways Maintenance Grant	CLOSED	Q1	Q1
Complaints Process	CLOSED	Q3	
Accounts Receivable	OPEN		

Purchase to Pay	OPEN		
CHAPS Payments Review	CLOSED	Q1	
Payroll	NOT OPENED		
General Ledger	NOT OPENED		
Bank Reconciliation	NOT OPENED		
Treasury Management	NOT OPENED		
Annual Assurance on Risk Management	NOT OPENED		
Debt Recovery	OPEN	Q1	
Pensions	CLOSED	Q3	Q4
Annual Governance Statement/Code of Corporate Governance	OPEN		
General Data Protection Regulations Implementation	CLOSED	Q2	Q3
Information Technology Audit Plan	NOT OPENED		
Financial Systems IT General Controls	NOT OPENED		
Community Transport Investigation 2019 - 20	ONGOING	Q1	N/A
Code of Conduct investigation	OPEN	Q1	
Manor Farm Review	OPEN	Q1	
Ely Bypass Review	CLOSED	Q1	Q2

Summary of Outstanding Recommendations – under 3 months

(Recommendations as at the end January 2020).

Audit	Risk level	Summary of Recommendation	Target Date	Status
18/19 Ely Bypass Review	I	**Limits on Delegated Authority** Consideration should be given to whether the Constitution should be adapted to incorporate limits to delegating authority away from Committees, particularly when there are significant financial implications.	31/10/19	The Service Director, Highways and Transport, has met with the Monitoring Officer and it has been agreed that the Service Director will develop a report to be taken to the Constitution and Ethics Committee for consideration. In order to allow for the development of this paper and to align with Committee meeting dates, a revised target date of 30th April 2020 has been agreed. **Revised target date: 30th April 2020**
Accounts Receivable 18/19	I	**Suspense Items Review and Develop Targeted Communications** The Head of Finance Operations should consider undertaking a review of suspense items to establish if there are particular services whose customers consistently fail to provide the required reference numbers. If such services are identified the AR Team should liaise with those services in order to develop communication plans to help educate customers and ensure they provide accurate reference numbers.	30/11/19	Services have been identified and new processes are being put in place to streamline allocations. Engagement with services is ongoing. AR led training sessions have been held for Financial Business Partners, Budget Holders, Treasury and HR to give a better understanding of the AR processes. Customers (internal and external) are informed to use the correct references when Income are chasing allocation information and lists to identify services that would benefit from targeted training are to be developed. **Revised target date: 31st March 2020**

| Accounts Payable 18/19 | I | **Cleanse of Supplier Database**
A review should be undertaken to identify any multiple supplier accounts that may exist twice in error rather than as required. For any such cases identified the second supplier account should be deleted. This will further reduce the risk of duplicate payments occurring and make supplier maintenance and creditor analysis more efficient in the future. | 31/12/19 | A report has been developed to identify ERP Gold suppliers that have not been used for 18 months. NCC and CCC have agreed that Accounts Payable proactively delete as they see fit but MKC wanted to review the data. This was sent to the Finance Performance Manager in November 2019. Accounts Payable received confirmation of the first tranche of suppliers that can be deleted on 24 January 2020.

In advance of the deleting suppliers, the AP Service are undertaking an exercise to identify all open purchase orders relating to those suppliers so that these can be closed on bulk. This needs to be done prior to supplier deletion. Good progress is being made and the expectation is that all open purchase orders will be closed by the end on March 2020. Work can then commence to delete the relevant suppliers.

However, there are some supplier accounts that need to be merged rather than deleted. At present the functionality does not exist to allow for supplier accounts to be merged without the supplier history being deleted. The Head of Service has raised the inability to properly merge suppliers with the system provider and is working with them to arrange operational user groups to push through developments as this is functionality. This may take some time as it is dependent on the system provider introducing new functionality. Accordingly the revised target date is an estimate. The Head of Service notes that in the meantime the risk of duplicate payments occurring due to multiple suppliers is |

| 19/20 Fire Safety Checks | I | **The Property Compliance Team does not have a complete list of buildings and sites that the Council is responsible for regarding Fire Risk Assessments (FRA's):**
The Property Compliance Manager should ensure that a review is undertaken to identify a complete list of all properties for which the Council is required to undertake FRA's. This should include properties:
• owned by the Council and that house Council employees;
• owned by the Council and that house non-council employees; and
• not owned by the Council but that are occupied by Council staff
The review should utilise the recently developed master list and establish for which properties the Council has a legal responsibility to undertake FRA's and ensure that all such properties are added to the Compliance Team's schedule for undertaking FRA's.
If any such properties identified have not had an FRA in the last three years, the Property Compliance Team Manager should ensure that a FRA is undertaken as a matter of priority. | 31/12/19 | largely mitigated by the Fiscal software.

Revised target date: 31st July 2020

The Interim Head of Property confirmed a definitive list has now been completed (1070 properties) and provided the categorised summary to Internal Audit (IA). It is acknowledged that this needs to be a live document that is continually updated as the portfolio changes.

This has been provided to the Compliance Manager who has reviewed each property to ascertain what responsibility the Council has in relation to fire safety for that property. 118 properties have been identified. There are a further 20 properties for which clarification on the lease and ownership details is required before fire safety responsibility can be confirmed. The Compliance Manager has requested this clarification from Estates. Work to programme in any FRAs required or obtaining existing documentation from landlords/owners is progressing but cannot be confirmed as fully complete until responsibilities for the properties mentioned above is established.

The Compliance Manager considers the assessment of all properties and scheduling of any subsequent additions to the FRA schedule should be completed by 29.03.2020 but that this is dependent on receiving the required information from Estates. |

				Revised target date: 31st March 2020
19/20 Fire Safety Checks	I	**Remedial action is not carried out within the timescales of the FRA's:** The Head of Property should ensure that an urgent review is undertaken to identify any cases where recommended actions from FRA's have not been implemented. A programme of work should be developed to: • Identify the most urgent/highest priority outstanding actions. • Schedule work and activity to implement the outstanding actions based on priority ratings. • Obtain evidence in any cases where it is considered the action has been implemented e.g. the required certification. All outstanding actions from this review should be implemented as a matter of significant priority to mitigate the level of risk as early as possible. Regular monitoring should be undertaken to ensure that all actions identified in FRA's are being progressed to ensure timely implementation, and to highlight any cases where remedial work is behind schedule and where additional resources may be required to expedite implementation.	31/12/19	The compliance team are developing a building audit programme to commence in March 2020 part of which will include the monitoring that fire remedial work has have been completed. A review of the current outstanding recommended actions recorded on the Facilities Management Team's spreadsheet has been undertaken and the Compliance Manager has assessed these as representing a low risk. Scheduling the work required to complete these recommended actions is ongoing. **Revised target date: 30th April 2020**
19/20 Fire Safety	I	**There is not an adequate process for recording and monitoring remedial actions:**	31/12/19	The planned estate management system should address the issues highlighted here but the

| Checks | | The Head of Property should ensure that a new central, overarching process is developed to ensure all remedial actions recommended in FRA's are recorded and monitored in detail, including:
• The exact nature of the action required
• The priority/risk rating of the action
• The date the FRA was completed
• The date implementation is required
• Who is assigned to undertake the required action e.g. external contractor or internal team/officer.
• Responsibility for this new process should be clearly assigned to a specific officer.
It would also assist in timely implementation of actions if who needs to be engaged to undertake the required work was also recorded against each action e.g. external contractor or internal team.
The new process should include close liaison with the Compliance Team and regular checks should be conducted to ensure all actions from FRA's have been recorded.
The Compliance Team currently record all actions from the FRA they have undertaken in detail and this spreadsheet should be useful in developing the new process.
In addition, the Head of Property should investigate whether there are any value for money software solutions that would provide a robust and efficient tool for managing FRA's and the implementation of remedial actions that could be utilised by both the Compliance Team and Facilities Management. | | Interim Head of Property confirmed a realistic implementation date for this would be September 2020.

In the interim the current spreadsheet is to be updated with the required information below:
The exact nature of the action required
The priority/risk rating of the action
The date the FRA was completed
The date implementation is required
Who is assigned to undertake the required action

Work to ensure the spreadsheet is updated to record all actions from FRAs is ongoing.

Revised target date: 30th April 2020 |
| 19/20 Fire Safety | I | **Detail on FRA's remedial actions and implementation are not reported:**
Detailed information on remedial actions and | 31/12/19 | The Compliance Manager confirmed he reports any risk issues to the various boards/groups and |

| Checks | | implementation of those actions should be reported to the Head of Property on a regular basis. Monitoring recommended at 4.2 would support this reporting. The Head of Property to formally ask HASCAM, the Strategic Health, Safety and Wellbeing Group, the Corporate Health Safety and Wellbeing Group and the Section 151 Officer if they also require this information to allow for independent monitoring and challenge and highlight any significant risks identified from FRAs. | | that the boards/groups have confirmed they do not require additional information.

The Interim Head of Property confirmed he meets regularly with The Compliance Manager to discuss any issues. A high level summary of remedial actions implementation stats was discussed as a beneficial addition to these meetings but this would be dependent on the above matters being addressed.

Revised target date: 30th April 2020 |

Summary of Outstanding Recommendations – over 3 months

(Recommendations due as at the end January 2020).

Audit	Risk level	Summary of Recommendation	Target Date	Status
Fostering Contract Management	I	**Overpayments to Level 6 Carers:** Review the payments to establish whether they are reasonable and in line with policy, and whether placements represent value for money in terms of the costs paid per child. Update records and inform the Business Systems teams of any decisions regarding the relevant placements, ensuring that any decision to continue with varying the usual terms of the foster carer scheme, if it is confirmed as being value for money, are fully documented with a clear approval from the Head of Service.	31/05/19	The Service are not approving any further level 6 carer households and are reviewing existing arrangements. Their view, although they are waiting for confirmation from legal, is that it is unlikely to be possible to seek repayments of funds paid - but they are continuing to make enquiries about this, based on what was originally agreed. Current level 6 arrangements are likely to be allowed end naturally as placements come to an end, so as to not cause negative impact on children placed. The service are working an all areas and aim to have completed these by April 2020. **Revised target date: 30ᵗʰ April 2020**
Fostering Contract Management 18/19	I	**Double paying for home-to-school transport:** Establish a suitable fee reduction to ensure travel costs are not paid for twice, and publish this clearly as part of fee negotiation guidance. Before negotiations for a contract start, it should be fully established whether the child is eligible under the home to-school transport assistance policy and the fee reduction should be agreed accordingly. Guidance should be updated to state that every contract should include a note re: how Home to School transport and transport to contacts is funded, and that this should also be noted on the placement plan. Given the values involved, consideration should be given to calculating the potential over payments made in previous years to inform a decision as to whether or not	01/10/19	The service need to consider the consequences of aligning levels of payments across Cambridgeshire and Peterborough. It is anticipated that this will bring a lot of advantages - joint recruitment as well as opening up joint training and support possibilities which they cannot do at present as allowances are different. An area of complication is that the way in which allowances are allocated to particular tasks - like home to school transport - is different in the two authorities and so it is not just adjusting the headline payments that needs to be considered. The service are working an all areas and aim to have completed these by April 2020

		these sums should be recovered.		. **Revised target date: 30th April 2020**
Performance Management 18/19	I	**Performance Management Framework:** The Performance Management Framework should be updated as soon as possible to reflect the current Council structure (at Member and Directorate level), including: • The role of shared services with Peterborough City Council and if there is a case for aligning performance management processes and/or KPIs. • A corporate strategy to guide the development and regular review of KPIs, based on the Plan > Do > Review > Revise approach. • Reference to data quality and good practice in the calculation of KPIs. • A process for remedial action where the achievement of outcomes is threatened, considering possible links to the Transformation Team. • Clarifying roles and responsibilities of officers and members, particularly in relation to the calculation, reporting and monitoring of KPIs. Documentation of responsibilities will also ensure that continuity is not lost in the event of Member or staff changes or restructures. • Aligning standardised processes across directorates. Once updated, the Framework should be published on the Council's corporate intranet and awareness-raising should be conducted with staff.	11/10/19	New standardised performance management framework developed with Chairs and Vice Chairs of all committees. KPIS linked to Corporate Strategy 2019-22 and Service Committee priorities. KPIs checked and refined with all committees through first quarter reporting. Very positive feedback from Members and Officers on performance reporting which supports decision making. Second quarter reporting in December committees has suggested a few additional tweaks to process and reports. Each KPI has a linked Committee, business owner and allocated BI, service and Finance support. Committee performance reports publish to website in Q1 and Q2. **Revised target date 31st March 2020**
Performance Management 18/19	I	**Key Performance Indicators in Corporate & Customer Services, Resources and Business Improvement Directorates** The Business Intelligence service has confirmed that KPIs in place within the Corporate & Customer Services,	11/10/19	Risk and performance workshop with BID DMT and Audit 9th December 2019. Risks agreed, KPIs suggested. Risk register went to GPC in November 2019.

		Resources and Business Improvement directorates are in the process of being reviewed and aligned to the new corporate strategy. This will address the issue identified. When the review of KPIs from the Corporate & Customer Services, Resources, and Business Improvement and Development directorates is complete, these KPIs should be considered for inclusion in the Council-wide objective-based reporting.		Updated risk register and performance report on GPC agenda for March 2020. **Revised target date 31st March 2020**
Information Governance Policies	M	**Asset management policies and procedures:** A complete physical asset register, listing the council staff member responsible for the asset should be created If assets are not managed or lost there is a risk of data breaches occurring (and not identified) leading to reputational or financial damage.	30/09/17	The proposal is now to use existing ERP functionality to hold IT asset information on an employee's record. IT would then be able to use this information to ensure IT equipment is handed back as part of the leaver process, saving money. The project proposal is now awaiting a Business Analyst to become available to undertake a detailed requirements analysis and process review in order to develop an options appraisal and outline Business Case. The project is provisionally scheduled to commence in early 2020. **Revised target date: 31st March 2020**
Fostering Contract Management	I	**No control process to identify errors in in-house payments:** Create a payment policy document that clearly sets out the different scenarios that occur and how they are paid for, such as: respite breaks, children going to university, level 6 carers with a staying put placement etc. Include details about IFA carers transferring to in-house, and the fee agreements relating to children already in place.	01/07/19	The systems and processes to avoid over payment of carers are receiving considerable focused attention. The service have appointed a new business support officer with a finance focus who maintains an over view and check all financial systems and as from 1st April 2020 an automated payment system (CONtRocc) should be in place which should remove human error in relation to payments. The Service are working an all areas and aim to have completed these by April 2020.

Transport Contract Management	I	**Financial processes:** A full financial processes review should be conducted by the SETT in conjunction with the Professional Finance team. This should include immediately ensuring that payments made via interface spreadsheet are linked to a SWIFT ID or other relevant identifier. The review should also ensure that interface payments are being used in the most efficient manner, reducing the amount of duplicate entry required and the risk of human error occurring in the payments. And in the longer term: • Developing a new commitment record spreadsheet for adults and LAC transport, which contains all journeys and client information. • Reinstating the use of Purchase Orders and receipting for the payment of all SETT invoices, in line with the Scheme of Financial Management.	31/07/19	Internal Audit have met with Finance colleagues to discuss progress. The review of adults transport has grown in scope from that originally envisaged by the audit. A planning meeting is taking place, after which a firmer timeline and scope will be known. Internal Audit were informed this is progressing with monthly meetings in place. A new target date of 31 July 2020 was given. **Revised target date: 31st July 2020**
Accounts Receivable 18/19	I	**Aged Suspense Items:** Aged items should be subject to a targeted review and if they cannot be allocated to invoices they should be removed from suspense and allocated to a fortuitous income code in the same way that suspense items from legacy systems have been.	30/09/19	A new process has been developed that will ensure any suspense item not allocated after 6 months in suspense will be removed from the suspense account and journaled to a fortuitous income code. This process includes a check list developed to ensure that items will only be removed from suspense after being subject to rigorous investigations, including liaison with Corporate Finance. The first batch of data for CCC was reviewed by a Financial Business Partner and has been moved from the suspense account to the new fortuitous

				income code on 27-01-2020 Internal Audit will confirm that the Cambridgeshire element of this has been implemented as part of the AR audit taking place in February/March 2020 **Revised target date 28th February 2020**
Accounts Receivable 18/19	I	**Suspense Reporting:** Suspense account reporting should be provided to clients on a regular agreed basis and should include: • All suspense accounts for each client. • Volumes and values of new suspense items. • Volumes and values of items cleared from suspense. • Volumes and values of aged suspense items. • Performance against agreed KPIs.	30/09/19	Suspense reports are now provided to clients with more detailed data in relation to suspense items. Reports are also now provided to the Head of Finance and Finance Business Partners. The AR Team are reporting that this recommendation is now implemented. Internal Audit will review supporting evidence to confirm that this has been implemented as part of the AR audit taking place in February/March 2020 **Revised target date 28th February 2020**
Debt Recovery 18/19	I	**Write Off Workflow:** Investigations into the root cause and potential fixes to address the issue of write offs being processed without appropriate authorisations in the system should be completed as a matter of priority. Any fixes identified or new processes developed should be robustly tested before implementation on the live system.	30/09/19	There is currently a review of all debt recovery processes, including write offs. As such, the work to identify a fix for the existing workflow has been put on hold until the process review is complete. This is because the review may result in a new workflow and write off process being developed within the system. In the interim, a bulk write off process has been implemented. This will be utilised until the development freeze in ERP has ended. The Debt Recovery Service are exploring the options during this downtime so that a solution can be agreed **Revised target date 31st March 2020**

Debt Recovery 18/19	I	**Write Off Reconciliation report:** Debt Recovery Managers should liaise with Business Systems Team to develop a reconciliation report within the system to identify any write offs that have not been properly authorised, processed and updated on the General Ledger.	30/09/19	This work is on hold until the review noted above is complete and the ERP development freeze has ended. The Debt Recovery Service are exploring the options during this downtime so that a solution can be agreed **Revised target date 31st March 2020**
Debt Recovery 18/19	I	**Review of Potential Write Offs:** The Debt Recovery Team should undertake a review of potential write offs covering: • debts currently proposed for write-off; • debts over 12 months old to establish any cases where recovery activity has been exhausted and that therefore should be written off. Any debts that are identified as suitable for write off should be sent to budget holders for approval and written off in ERP as a matter of priority. The approval requirements for write offs within the Debt Recovery Service should be agreed and implemented within ERP as a matter of priority so that the appropriate officers can process any proposed write offs in a timely manner. This is essential to ensuring that the system controls over write offs are implemented as designed and complied with in practice. This should include the process by which budget holders may request write-off of a debt which should be communicated to budget holders. .	30/09/19	There is currently a review of all debt recovery processes, including write offs. Agreement on approval requirements will be considered as part of this review. The review may result in a new workflow and write off process being developed within the system and this may necessitate a different/more efficient authorisation process than that originally designed. In the interim, a bulk write off process has been implemented. The first bulk write offs have now been undertaken. Once the process review noted above and the recruitment freeze in ERP is lifted the approval workflows in ERP will be agreed. **Revised target date 31st March 2020**

Source Document: none