

AUDIT AND ACCOUNTS COMMITTEE MINUTES ACTION LOG FOR COMMITTEE MEETING 12th JULY 2016

ACTIONS ARISING FROM THE MINUTES OF THE 22ND SEPTEMBER 2015 COMMITTEE MEETING			
<u>NO</u>	<u>TITLE OF REPORT / MINUTE AND ACTION REQUESTED</u>	<u>LEAD</u>	<u>PROGRESS / RESPONSE</u>
1.	MINUTE 158. SAFEGUARDING - SAFE RECRUITMENT IN SCHOOLS UPDATE There was a request to receive an update report at the November meeting.	K Grimwade	A report was included on the November 2015 agenda. A further update was received at the March 2016 meeting with a further update programmed for the September Committee. Action ongoing
ACTIONS ARISING FROM THE MINUTES OF THE NOVEMBER 2015 COMMITTEE MEETING			
2.	MINUTE 170. INTERNAL AUDIT PROGRESS REPORT TO 31ST OCTOBER		
	The Whistle-Blowing poster should be redesigned to ensure that visually it could not be ignored.	N Hunter	The original target was for the Counter Fraud website to go live in April, depending on IT resources, with the poster being launched at the same time. The Chairman was to be sent the design in advance for his views. An update from Internal Audit on 29 th February indicated that following a team meeting and as a result of other more urgent priority pressures on workloads within the team, the April date was no longer considered viable. Instead the team would be aiming to

			roll out the new website and poster over the summer of this year. At the June meeting it was indicated that the action was likely to be undertaken in August.
			<p>A copy of the draft new fraud awareness poster was sent to the Chairman Councillor Shellens on 23rd June for his comments which were received and passed on to the Counter Fraud Team.</p> <p>As an update the Chairman was also informed that it was a CIPFA endorsed poster and campaign, and the intention was that the template poster would be used across the country as CIPFA-recommended good practice, with Cambridgeshire and Northamptonshire County Councils instigating the campaign. The red and black colours used on the poster was a fraud theme in line with City of London police alerts, which CIPFA have adopted. The campaign is aimed to link to the central government agenda of achieving progress against the UK Anti-Corruption Plan. Action ongoing</p>

ACTIONS ARISING FROM THE MINUTES OF THE JANUARY 2016 COMMITTEE MEETING

3.	MINUTE 188 INTERIM REPORT ON WORKFORCE STRATEGY		
	It had been agreed that there should be a further update to the March rather than the June meeting with the expectation that Martin Cox should attend to answer questions.	RVS to invite MC	A report was included on the March agenda. It had been agreed to receive a further update at the June meeting. Due to the size of the current agenda it was agreed with the Chairman that this update report should be re-scheduled for the July meeting. A report is included on the current agenda.

ACTIONS ARISING FROM THE MINUTES OF THE 15 th MARCH MEETING 2016 COMMITTEE MEETING			
4.	MINUTE 200 - CAMBRIDGE LIBRARY ENTERPRISE CENTRE REVIEW – UPDATE ON ACTION PLAN PROGRESS TO DATE		
	<p>a) Confidentiality Agreement - It had been agreed that Quentin Baker Director of Law, Procurement and Governance was the appropriate officer to prepare the relevant report. At the time of the March Committee meeting no update had been provided by the Director of Law and Governance for the Progress Plan and the Chairman therefore undertook as an action to telephone him personally to request an update.</p>	<p>Cllr Shellens</p>	<p>The Chairman has provided an update indicating that a conversation had taken place but requested that Internal Audit to undertake the necessary follow up. .</p> <p>Ongoing</p>
	<p>b) 5.7 Spokes meeting guidance – At the January meeting Democratic Services had indicated that the responsibility for reporting back to officers of a change of a political group’s position from that indicated by their spokesman at a spokes meeting was the responsibility of the Spokes. In terms of making this known to all Council Spokes, It was agreed this should be the responsibility of Councillor Shellens, as the Chairman of the Committee. The action for the Chairman from the January meeting to write to spokes and remind them of spokes responsibilities had still been outstanding at the March meeting.</p>	<p>Cllr Shellens</p>	<p>This action in the Chairman’s name was still outstanding at the time of the June Committee meeting.</p> <p>A reminder to spokes was sent out on behalf of the Chairman on 7th July which included a spokes responsibilities document previously agreed with Group Leaders.</p> <p>Action completed</p>
5.	AUDIT AND ACCOUNTS COMMITTEE ACTION LOG FROM MINUTES		
	a) Item 9 - Minute 184. Risk Management Report		
	Regarding the request from the Vice Chairman for officers to investigate alternatives to the current presentation of appendix 1 (the Residual Risk Map) different options had been circulated by e-mail (hard copy for Councillor Henson) the previous week with the	<p>All on Committee</p>	<p>No responses were received at the time of preparing this update. Councillor Topping had originally intended to meet with internal Audit to discuss the options but due to illness at the time, the scheduled meeting was</p>

	request for Members to feedback any preferences to Sue Norman in Internal Audit. Action		cancelled. It is suggested this action is deleted as no feedback has been received after four months.
ACTIONS ARISING FROM THE MINUTES OF THE 7th JUNE MEETING 2016 COMMITTEE MEETING			
6.	MINUTE 214 - ISA 260 UPDATE REPORT		
	a) Page 4 First line entry - list of all assets – 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. Action	Iain Jenkins	The Agenda Plan has been updated to receive a report back in November. Iain Jenkins indicated that he would make his colleagues in Capital / Highways aware of the request for a future report on progress on registering highways land, as he was not involved in that piece of work. Action ongoing
	b) Page 4 second entry – Council and Pension Fund – List of Related Parties – It was explained that at the time of writing the report there was only one outstanding response. The Chairman asked that an update be provided at the next meeting. (<i>Note: by way of an entry in the Minute Action Log</i>) Action	Iain Jenkins	The one outstanding response on the Related Parties disclosures has now been received. Action completed
	c)Page 5 Bad Debt Provision - Latest position text reading “Allowances for doubtful debt are offset against the debtor amount shown as an asset...” – The Chairman asked that an example be provided outside of the meeting. Action	Iain Jenkins	The Council adjusts the carrying value of the debtors held on its balance sheet to take account of any potential non payment of debtors. An assessment is made based on the risk of non payment of debts due under the contractual terms. This risk is estimated, where possible, on historical loss experience and other impacting factors. Different percentages are applied based upon the category and age of the debt. For example, the older the debt, the higher the percentage that is provided for.

			<p>Once the provisions for bad debts has been calculated it is offset against the debtor balance shown within the Accounts, with the movement in the provision charged against the relevant service line in the Comprehensive Income and Expenditure Statement. For example, a proportion of the Council's aged debt relates to debt accrued by social care users. This is reviewed in order to calculate a prudent amount of provision in respect of this debt. This review was overseen by the Strategic Finance Manager for Adults, based on supporting information provided by the Transactions team.</p> <p>Action completed</p>
	<p>d) Page 6 Bank Accounts - Text on latest position reading "Ten imprest (petty cash) accounts remain to be mapped to the GL and these are being investigated". The Chairman requested a confirmation note when completion was achieved on these final 10.</p>	<p>Iain Jenkins</p>	<p>As an update the Committee is asked to note that this work was put on hold as finance officers had to prioritise completing the draft Statement of Accounts but it will now be picked up again. There are still 10 imprest / petty cash accounts to be mapped to the General Ledger. The value of these accounts is not material. A further update can be provided once this review is completed.</p> <p>Action ongoing</p>
7.	<p>MINUTE 215 - BDO EXTERNAL AUDIT PLANNING REPORT TO THE AUDIT AND ACCOUNTS COMMITTEE AUDIT FOR THE YEAR ENDED 31ST MARCH 2016</p>		
	<p>a) Engagement table page 5 – required to be amended to reflect that the Audit and Accounts Committee received the draft Statement of Accounts Report at its July not its June meeting.</p>	<p>Lisa Clampin</p>	<p>This has been amended. An updated document was sent to Members of the Committee on 6th July.</p> <p>Action Completed.</p>

	<p>b) Page 6 setting out the Audit Scope and objectives – with reference to number 5 ‘use of resources’ the Chairman requested that in respect of ‘securing economy, efficiency and effectiveness in the use of resources’ that future reports from the External Auditors should provide examples of best practice undertaken in other local authorities. Action</p>	<p>Lisa Clampin</p>	<p>This has been noted and the Use of Resources team briefed to make reference to relevant best practice where possible. The draft report on the findings from BDO’s 2015/16 audit, including our use of resources work, is due in September 2016.</p> <p>Action ongoing</p>
	<p>c) Page 10 – Opening Balances - Transport Infrastructure Assets –. The Chairman asked if there was enough resource to undertake the level of Highways activity referred to in the discussion. It was indicated that this would be looked into with relevant Highways officers outside of the meeting and reported back. Action</p>	<p>Sarah Heywood</p>	<p>Action ongoing.</p> <p>The Transport Infrastructure Assets work is proceeding according to the project plan.</p>
	<p>d) Page 11 Under ‘Property, plant and equipment valuations’ the Chairman requested that the second paragraph under the ‘Planned Audit Response’ column should be expanded to provide greater clarity. In further discussion BDO suggested it could be deleted as it was a restatement of the previous sentence, but in more technical detail, and therefore was not adding value.</p>	<p>Lisa Clampin</p>	<p>This has been amended. An updated document was sent to Members of the Committee on 6th July.</p> <p>Action completed</p>
	<p>e) Page 13 Sustainable Finances – It was confirmed that the figure of £51m savings for 2016-17 was still accurate. The Vice-Chairman suggested that in a year’s time commentary should be included which indicated whether the Council’s risk in respect of its sustainable finances position had improved or worsened. Action.</p>	<p>Lisa Clampin / Sarah Heywood</p>	<p>This has been noted. BDO will provide such context in its report for 2016/17 which will be due in September 2017.</p>
	<p>f) Page 15 Fees – It was clarified that the figure of £94,061 was the scale fee determined by Public Sector Audit Appointments Limited (PSAA) and was set without consultation with the Council or negotiation with the audit firms. Variation from the scale fee could occur, but required the approval of both the audited body and PSAA. The non-audit services fee for work separately contracted between</p>		<p>Narrative relating to this return has been amended to clarify the year of audit.</p>

	BDO and the Council was outside of the PSAA contract regime and was, therefore, directly negotiable. Currently the £7,794 sum being reported had been agreed between BDO and the Council's Chief Finance Officer. It was clarified following a query, that the note regarding accountant assurance on the teachers pensions return would be in respect of work to be undertaken in 2016, on the return made for the year ended 31 March 2016.	Lisa Clampin	
8.	MINUTE 216. DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16		
	It was suggested that an additional paragraph should be added setting out the significant risks and what was being done to address them.	. Neil Hunter	Actioned
9.	MINUTE 217. - REVIEW OF LGSS INTERNAL AUDIT (CAMBRIDGESHIRE) COMPLIANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)		
	Page 7 – Under Public Sector requirement – the text under evidence of achievement reading “The Head of Internal Audit attends Audit and Accounts Committee meetings and Chair’s briefings six times a year” should have the addition of the words “or his deputy” in order to reflect the time when he was unable to attend, due to clashes with other authority Audit meetings.	N Hunter	Actioned
10.	MINUTE 218 - INTERNAL AUDIT ANNUAL REPORT 2015/16		
	a) it was agreed that Democratic Services should invite the Director of Learning and the Schools Finance Manager to the September meeting to set out the progress being made.	RVS contact K Grimwade / M Wade	

	b) Investigations in respect of anti-fraud and corruption were detailed in section 4.6 of the report. In terms of the alleged theft of cash from a library safe, officers were asked to contact the affected libraries to ensure the guidance issued was being followed.	M Kelly	This was being actioned by the Counter Fraud Team.
	c) In terms of the second from last investigation listed in the table on page 12 ' Allegations that a dependent's pension due to a disabled service user had been paid to and used by, other family members' and the action to seek repayment of the funds, the Chairman asked that an update be provided in due course.	M Kelly	Internal Audit are still waiting to hear back from the service. As it was a complicated case it was not expected that there would be an update for some-time.
	d) Section 5 of the report set out the detail of the Internal Audit performance and quality assurance, with table 5 detailing Internal Audit Resources input in days in the specific areas of audit review. There was a request to ensure that where good practice had been identified in schools, this should be shared with other schools head-teachers' and governors.	M Kelly	This is standard practice as part of the normal schools audit approach.
11.	MINUTE 219. - CAMBRIDGE LIBRARY ENTERPRISE CENTRE REVIEW – UPDATE ON ACTION PLAN PROGRESS TO DATE		
	a) Project Management and Gateway Review Process Protocol Reviews – At the March meeting it had been indicated that this was still awaiting the completion of the Corporate Capacity Review which had not been expected to be completed until at least October. An oral update by Chris Malyon, the Chief Finance Officer at the June meeting indicated that the October deadline referred to in the text would not be met and the Plan required updating.	M Kelly	See the report on the second despatch agenda.

	b) On a further question on the text of the Gateway Review Process Protocol Reviews stating that the Gateway Review Process currently did not include provision for a peer review or challenge as it was an internal process, the intention was to change this to enable such activity. Action: Report back on progress.	M Kelly	See the report on the second despatch agenda.
12.	Minute 222 - INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR PERIOD ENDING 31ST MARCH 2016		
	a) Page 207 - 8. Balance Sheet showing the level of debt outstanding for owed to the Council for both 4-6 months and greater than 6 months had increased. While it was explained that these were mainly in relation to adult social care and were being looked at urgently the Chairman requested a more detailed written explanation outside of the meeting.	C Malyon / S Heywood	Have discussed the debt issue with the Debt Manager in LGSS and Adults Finance team, work is underway and at the time of finalising this action log (8 th July) a written response is being put together to explain what is being done.
	b) The Chairman queried how the £4m Prudential Borrowing in the table at paragraph 6.4 related to the net borrowing in the graph at paragraph 8.2. The Chief Finance Officer undertook to respond outside of the meeting		An email was sent to the Chairman dated 8 th June explaining that the £4m Prudential Borrowing is the additional borrowing required in the updated budget (to reflect rolled forward schemes and updated phasing) whereas the Net Borrowing graph reflects actuals (ie the net position between borrowing and investments). So in summary, the first show the budget build and the second show the actual position.