

## ANNEX B *Summary of Outstanding Recommendations*

(Recommendation status as at 15.11.2022).

### *Essential Recommendations overdue*

Audit	Risk level	Summary of Recommendation	Target Date	Status
ICT Light Touch Security	E	<p>A target date for CCC re-obtaining PSN certification is agreed and JMT is kept updated of progress towards this target.</p> <p>In view of management's comments on the draft report, we recommend two separate target dates be agreed:</p> <ul style="list-style-type: none"><li>• One for the completion of an ITHC and the submission of an appropriate Remediation Plan to PSN (if needed). Perhaps the target for this could be August 2021</li><li>• And the other target being for the completion of (at least the high priority elements of) the new Remediation Plan. We suggest this target date could be 3-6 months after the above.</li></ul>	30/11/2021	<p>The service intends to re-submit the application for PSN certification to the Cabinet Office at the end of November. This will reflect the work completed against the service's Remediation Plan since the previous submission in August.</p> <p>A key dependence for re-submission is that outstanding high-severity vulnerabilities must have a target resolution date within 30 days of the PSN submission date. In order to achieve this, the team need to replace a large volume of devices, but at the time of writing the service have not been able to reach their maximum capacity for deploying replacement devices. This is due to complexities with the device build process and difficulties arranging device replacements with users. As such, achieving the end of November target date for this action will be pressured, but this remains the team's goal.</p> <p>Revised target date: 30/11/2022</p>

## Recommendations overdue – under 3 months

Audit	Risk level	Summary of Recommendation	Target Date	Status
DSG - High Needs Block Demand Management	I	A detailed written training package should be developed and implemented by the local authority and distributed to schools and special educational needs coordinators (SENCO), with information on how to conduct an annual review meeting and how to amend an EHCP after an annual review has taken place. The service should also seek to identify schools which repeatedly supply annual review forms that do not meet the standard requirements expected by CCC and retrain them, in addition to challenging paperwork sent by schools if it is not completed correctly.	01/09/2022	<p>A new temporary training post is being created. Alongside managers, the postholder will develop an Annual Review plan and also train Schools/SENCO's on how to complete Annual Reviews. The service hope this will make Reviews more consistent and also inform Schools on the importance of meeting the deadlines. The post was advertised during October and the service hope to have the training package in place by the end of January.</p> <p>Revised target date: 31/01/2023</p>
Healthy Child Programme	H	Linked to the previous recommendation, Public Health should conduct an exercise to scrutinise all non-staffing costs in the CCS/Cambridgeshire element of the Section 75 Agreement and seek to bring these more in line with the CPFT costs, with particular challenge to the cost of estates and overheads. The Section 75 Agreement permits the cost of the contract to be varied each year as agreed in the Annual Development Plan, so the service should seek to agree a reduction to non-staffing costs to be implemented in the 2023/24 Annual Development Plan (or sooner if agreement can be reached with the provider).	31/08/2022	The service report that work to scrutinise non-staffing costs has been underway from the Provider side, specifically focussing on the highest cost estate in Huntingdon, where they have negotiated a new lease price. The provider is now in a state to review expenditure by each service operating out of the site and wider work is underway to explore opportunities for shared use of estates across a broader range of partners. The service note that the Provider has flagged the increased associated costs with Estates Management, linked to the inflation and

				<p>higher energy costs, which will impact on buildings across Cambridgeshire &amp; Peterborough.</p> <p>Revised target date: 31/12/2022</p>
Healthy Child Programme	M	<p>Include greater detail on forecast outturn projections in the quarterly financial reporting with information on the assumptions underlying the forecast.</p>	31/08/2022	<p>The service were expecting to receive the new detailed forecast outturn reporting in the 6 Month Finance Meeting, originally scheduled for 6th October. However, the 6 Month meeting has been re-scheduled by the provider to align with their accounting timescales and has therefore been delayed to the 17th November. The service are now hoping to have a final agreed format for the detailed forecast reporting in place by the end of November.</p> <p>Revised target date: 30/11/2022</p>
Procurement Compliance	M	<p>The Assistant Director for Property should review the arrangement in place to reduce CCC's exposure to contractor failure risk and legal ramifications should any works undertaken be found to be defective in the future.</p> <p>Any similar arrangements where CCC pays suppliers directly for works for a third party should be similarly reviewed as appropriate to limit the level of contractor failure risk CCC is exposed to.</p>	30/09/2022	<p>The Assistance Director of Property has confirmed that "The arrangement was set up specifically to meet the requirements of both authorities and was the subject of detailed discussion and formal advice at the outset of the contract to protect CCC. As CCC provides a project management function in addition to the access to the contractor, CCC retains liability for contractor issues or problems irrespective of payment processes. This is a key risk in the contract and is part of the overall service that CCC have been providing. It is not simply access to a framework contractor. CCC has put suitable</p>

				<p>insurance cover in place to cover this and similar risks. As the contract ends on 30 November no further action is required."</p> <p>Internal Audit are awaiting a copy of the contract and insurance to close the action.</p>
Overall Schools Report	M	The School Finance Team should amend existing CCC regulations for schools to clearly specify areas where schools need to formulate their own internal policies in addition to the CCC regulations for schools. These include a Scheme of Financial Delegation and the other policy areas listed in Annex A to this report.	30/09/2022	Internal Audit has been liaising with the Schools Finance Team and has produced a series of draft model procedure documents that will be shared with schools. these model policies cover separation of duties and approval in purchasing and payroll, and scrutiny and review of specific payroll reports. These model procedures will be used a basis for updating the Council's corporate documents that govern aspects of financial management in schools.
Overall Schools Report	M	<p>"Where CCC regulations for schools allow for varying proportionality of controls such as separation of duties, the Schools Finance Team should consider clarifying in what situations it is acceptable to deviate from best practice, and to what degree. This could include setting a financial threshold above which schools must be able to evidence separation of duties in purchasing.</p> <p>It should also be made clearer in the regulations what constitutes sufficient separation of duties at different stages of the purchasing process. For example, can the same person approve a purchase order and then raise it on the system (such as the Headteacher)?"</p>	30/09/2022	<p>A revised target date has not yet been confirmed for these recommendations to be implemented as the Schools Finance Team have been focussing on priority work including the Safety Valve Intervention Programme, Schools Financial Health and Business Planning.</p> <p>Revised target date: TBC</p>
Overall Schools Report	M	The School Finance Team should amend CCC regulations for schools to state that the Payroll Costing Report and Previous Pay Comparison Report should be used to identify all variances and illustrate the full cost of the payroll to be signed off. If these two reports are used, the Payroll Validation Reports and EPM Variance reports are not necessary and schools are able to conduct more	30/09/2022	

		detailed scrutiny of their payroll.		
Overall Schools Report	M	The School Finance Team should consider amending CCC regulations for schools to include a requirement that a second officer must authorise individual payroll amendments. This would require schools to apply separation of duties in all individual payroll amendments, which if not demonstrated increases the risk of payroll fraud.	30/09/2022	
AP 21/22	M	Accounts Payable should consider writing a documented process to give clear guidance on the Fiscal duplicate payment checking process, including how potential duplicates are reviewed and assessed, how the results of investigations are recorded, and what steps should be taken to prevent payments being made. This will ensure that any new or less experienced Payables Officers have specific documented guidance on how to best undertake this important process.	30/09/2022	<p>The Council's Duplicate Payment Software is changing from March 23. As part of the transition to Go Live, detailed guidance notes will be produced. This will be part of the project, as testing has not yet commenced. The team are expecting to have documented processes in place by the end of February, as the solution must be live by 23 March 2023.</p> <p>Revised target date: 28/02/2023</p>
AR Income 21/22	M	<p>The service should consider further developing reporting to provide both current and rolling historical data in relation to unapplied items, as is currently provided for suspense account items.</p> <p>This would allow for improved performance analysis in relation to the clearing of items on customer accounts.</p> <p>Reporting of unapplied items should be at least monthly but given that established suspense account reporting is fortnightly this could be best achieved through incorporation into that process.</p> <p>Consideration should be given to developing and</p>	30/09/2022	<p>Unapplied Items are now reported and discussed at Service Review meetings to raise the profile of aged receipts that have not been allocated. This then drives further support via Finance Business Partners.</p> <p>Statement Style reminder letters implemented from November should also start to improve the situation with customers making contact in respect of payments made for debts that are still being shown within letters received.</p> <p>Enhanced functionality with the new IM system should also drive some efficiencies with recurring</p>

		implementing KPIs for unapplied items.		<p>incorrectly referenced payments being managed within the system through user definable rules. Resource efficiencies that reduce manual allocations should reduce manual errors and also allow for better use of resources to look at aged credits.</p> <p>Revised target date: 28/02/2023</p>
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### *Summary of Outstanding Recommendations – over 3 months*

Audit	Risk level	Summary of Recommendation	Target Date	Status
Consultancy Contracts Assurance	H	Reporting on consultancy expenditure to Committee should include whether or not an e-form has been completed for each separate consultancy assignment, to request approval to use consultants.	31/07/2022	<p>HR and Procurement have confirmed that this reporting will be implemented for the next Audit &amp; Accounts meeting once the new consultancy e-form is in place and has been fully communicated (see action below).</p> <p>Revised target date: 09/02/2023</p>
Consultancy Contracts Assurance	H	When the new recruitment panel process for consultancy expenditure is implemented, HR should conduct a communications campaign to ensure staff are aware of the process for correctly procuring consultancy resource. This should include targeted communications to Procurement officers and Finance officers, to ensure they are also able to signpost colleagues to the correct process if they are made aware of plans to procure consultants.	31/07/2022	<p>The consultancy approval eform has been developed/tested and is now available. Procurement, rather than HR are taking a lead on the actions around developing a new consultancy approval process, and as such are also leading on the communication to launch the eform.</p> <p>A communications campaign is being undertaken in late November to launch this eform. The</p>

				<p>Consultancy Policy has been updated with a more refined definition of a consultant and reference to the eform approval process – this is now hosted on the Procurement pages, with a sign post back to it from the HR pages.</p> <p>Revised target date: 31/12/2022</p>
Fees and Charges	H	<p>The Director of Resources should commission a piece of work to reconcile from the fees and charges income code (J100) in ERP against the published schedules to ensure that all statutory and discretionary charges are published accurately. In addition, the following types of reduced charge/free services should be identified:</p> <ul style="list-style-type: none"> <li>• Subsidised fees,</li> <li>• Charging exemptions,</li> <li>• Concessions,</li> <li>• Statutory prohibition.</li> </ul>	30/06/2022	<p>Updated fees &amp; charges schedules are produced annually by services as part of business planning. That process is currently underway and is now overseen by the Head of Finance. Consistency checks are undertaken to ensure schedules are produced in the same way across all services, and schedules will be presented to relevant service committees.</p> <p>As part of setting detailed service budgets for the new financial year, some reconciliation work will be undertaken to ensure income budgets set by services are backed up where required by an entry on the relevant schedule.</p> <p>Revised target date: 31/01/2023</p>
Fees and Charges	H	<p>Following the update of the policy and guidance, a communication strategy should be developed which raises awareness and embeds the policy and best practice guidance across the organisation.</p>	30/06/2022	<p>Ownership of this action has been handed over to Head of Procurement and Commercial from 1<sup>st</sup> September following the corporate leadership team restructure. The former Head of Commercial confirmed this action is underway, and advised a revised target date of December 2022 to align with business planning timescales, as the work forms part of an overall suite of policies and strategies to</p>

				<p>aid delivery of a coherent and robust business plan.</p> <p>Revised target date: 31/12/2022</p>
DSG - High Needs Block Demand Management	I	<p>The service has indicated that there are already plans to review and update the Personal Budget policy. The service should ensure as part of this update that guidance is clear that where any provision is to be secured by a Personal Budget, Section J of the EHCP should include: details of how the Personal Budget will support particular outcomes; the specific provision it will be used for, including any flexibility in its usage; and the arrangements for any direct payments for education, health and social care.</p>	01/04/2022	<p>The service has appointed a Casework Officer for Personal Budgets (PBs), who is undertaking a full 'deep dive' review of all Cambridgeshire PBs. Not only will a review of current PBs be completed, this role will also ensure all PBs are thoroughly monitored and transitions into adulthood are well planned and co-produced with all services.</p> <p>Once the PB Deep Dive has been completed, the PB policy will be reviewed as part of the EHCP Improvement Plan. The service is aiming to have the Personal Budget Policy review completed by March 2023 following significant co-production with parent/carers and stakeholders. Roll out of PB guidance will then be completed by September 2023.</p> <p>Revised target date: 31/03/2023</p>
Interim Team Leader MID Investigation	I	<p>The service should review all current contracts with interim workers and ensure that contracts include complete mechanisms for the Council to withhold payment in the event of late or absent delivery of expected services.</p>	31/01/2022	<p>The service is taking this action forward with HR to explore the extent to which the Council would legally be able to withhold payment from interim workers. HR advice on form of contracts is still being explored as there is a distinction between workers inside and outside IR35. In principle, the service agreed to implement the action for new interim contracts going forwards, but felt that it would risk relationships with interims to attempt to implement</p>



				<p>this retrospectively for existing contracts. Instead the aim will be to implement this for existing contracts at the point of contract renewal or negotiation.</p> <p>Revised target date: 31/01/2023</p>
DR 20/21	I	<p>Detailed best practice procedures should be developed, communicated, and embedded to govern effective debt recovery activity across all three clients. These best practice procedures should be continually assessed to ensure they are proportionate, efficient, and effective. The procedures should be documented and cover:</p> <ul style="list-style-type: none"> <li>• Recovery activities and associated timescales (including timescales for DCA to recover debts and timescales for sending back to the client if debts are not recovered)</li> <li>• Guidance on how to undertake recovery activities</li> <li>• How activity should be evidenced and recorded to maintain complete and consistent case notes</li> <li>• All recovery strategies and guidance on decision making, specifically on criteria for unrecoverable debt</li> <li>• Procedures in relation to dealing with services over disputed debt/debt managed outside of the debt teams</li> <li>• Write off processes</li> <li>• How debts are allocated to Recovery Officers and how these should be prioritised</li> <li>• How ERP Gold workflows and functionality will be best utilised</li> <li>• Use of complaint codes</li> </ul>	30/09/21	<p>The Income Policy has been reviewed and updated for all clients and came into effect from April / May 2022. The policies set out the key principles in respect of billing and income recovery. Additionally to support staff responsible for debt recovery there are a number of working documents and crib sheets that are provided to staff as part of their induction or following training.</p> <p>It is recognised however that it would be good for the individual documents to be incorporated into a single guidance document that all staff can make reference to as part of their role.</p> <p>Guidance notes are in draft format and are current being reviewed.</p> <p>Revised target date: 31/12/2022</p>

		<ul style="list-style-type: none"> <li>Deceased cases recovery processes</li> </ul>		
Soham Library Preschool Investigation	M	<p>Consideration should be given to the accounting treatment for any Less Than Best lease arrangements (including rent holidays) with the 'cost' of any subsidy being recognised as a nominal cost to a service's accounts to reflect the community benefit invested in these arrangements.</p>	31/10/21	<p>The Sector Development and Funding Manager confirmed that this complex proposal is currently being discussed with colleagues in Finance and Education to identify how it could be progressed. As this is a notional accounting entry it is technically complex, and the specific staff from Finance who are needed to progress this action are currently working full time on preparing the draft accounts, so there has not been capacity to progress this further.</p> <p>Revised target date: TBC</p>
Key Policies and Procedures	I	<p>Policy Framework: A policy framework document should be drafted which includes:</p> <ul style="list-style-type: none"> <li>A definitive list of CCC's key policies</li> <li>links to each policy or where to find them</li> <li>The update schedules for each</li> <li>Whether any particular legislation must be taken into account when updating</li> <li>Whether legal advice is needed on updating (to prevent misinterpretation of legislation)</li> <li>Who is responsible for updating each policy</li> <li>Who needs to approve changes to the policy (e.g. JMT or service committees)</li> <li>Templates and Guidelines for the creation of new policies (e.g. is an Equalities impact assessment)</li> </ul>	30/04/21	<p>Policy and Strategy Manager has confirmed that all DMT's have now reviewed the draft framework. It is scheduled to return to CLT for final approval in November.</p> <p>Following approval, the service plan to run a communications campaign to notify colleagues that it can be found on Camweb. The service are also working on a beta version of the Policy Library, which they hope will be much more interactive and nuanced. The plan is for this to be "live" on Camweb before the end of March 2023.</p> <p>Revised target date: 30/11/2022</p>

		needed)"		
This Land	I	<p>Governance arrangements: A formal document is produced and presented to C&amp;IC (as Shareholder) containing governance arrangements of:</p> <ul style="list-style-type: none"> <li>• Reporting to Shareholder;</li> <li>• Corporate performance indicators for delivery against the benefits identified;</li> <li>• Business plan;</li> <li>• Financing the company;</li> <li>• Reserved matters;</li> <li>• Risk, Audit, and internal control</li> </ul> <p>This could be a development of the drafted Memorandum of Understanding or a separate document which should be discussed and agreed by the committee, with changes made if necessary. Implementation of this recommendation would substantially increase the audit opinion.</p>	01/06/21	<p>Reporting to the shareholder has continued and has included the latest annual submission and receipt of the business plan (including confirmation of the financing of the company) at the Strategy &amp; Resources Committee meeting in September 2022 link.</p> <p>The external solicitors, Freeths LLP, have now completed a review of the company's governance documents and suggest that the shareholder's agreement would benefit from minor changes to address the role, responsibilities and rights of the shareholder. A revision to the shareholder agreement will be agreed to address these recommendations</p> <p>Revised target date: 6<sup>th</sup> January 2023</p>
AP 20/21	I	<p>Supplier Review:</p> <p>A review of suppliers in ERP should be undertaken to identify any further instances where the same company is set up as both a commercial and non-commercial supplier. Each case should be reviewed to establish if the existence as both supplier types is appropriate and if not if should be determined which supplier instances should be deleted or disabled.</p>	30/06/21	<p>To mitigate this risk the New Supplier Request form advises the user to check that a supplier record does not exist in ERP and the Suppliers team is required to complete further checks to prevent duplicate supplier records being set up in ERP.</p> <p>A Duplicate Suppliers report is now available in ERP to identify suppliers with duplicate payment sites and this will be used to undertake an exercise to identify and review any existing suppliers that are set up as both commercial and non-commercial types.</p>

				<p>Requirement will form part of procurement of new duplicate payment checker solution to be procured during 2022/23, thereby ensuring that the solution implemented manages and reports such duplicate to facilitate data cleansing across all clients.</p> <p>Revised target date: 31/01/2023</p>
Capital Programme Governance Review	I	There are 26 recommendations in the Capital Programme Governance Review report that became due for implementation on 30 June 2021.	30/06/2021	The implementation of these will be verified by an audit in Q3 2022/23. The Terms of Reference for this review has been agreed and the planned start date is early December.
General Ledger	I	Urgent action is taken in conjunction with the Payroll and HR Transactions Manager to address the weaknesses in the quality and accuracy of payroll control accounts.	30/09/2021	<p>This action continues to be progressed via the Lead Authority Board which has a Payroll and HR Transaction Service Improvement Plan. Meetings have taken place with all the partner finance teams as part of the work to clear control accounts. The Service Director for Finance &amp; Procurement has requested an update on timelines for reviewing the overpayments control accountant Cambridgeshire and detail regarding the division of responsibilities for clearing this payroll account between Payroll, Finance and Business Systems. A further update will be provided at the next Lead Authority Board meeting.</p> <p>Revised target date: TBC</p>