

**TITLE            INTERNAL AUDIT PROGRESS REPORT**

**To:                Audit & Accounts Committee**

**Date:             20<sup>th</sup> September 2018**

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

**1.                PURPOSE**

- 1.1                To report on the main areas of audit coverage for the period 1<sup>st</sup> June 2018 to 31<sup>st</sup> August 2018 and the key control issues arising.

**2.                BACKGROUND**

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

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# **LGSS Internal Audit & Risk Management**

## **Cambridgeshire County Council**

*Update report*

*As at 31<sup>st</sup> August 2018*

## Section 1

# 1. FINALISED ASSIGNMENTS

- 1.1 Since the previous Progress Report in July 2018, the following audit assignments have reached completion, as set out below in Table 1.
- 1.2 Please note that an unusually low number of assignments have reached final report stage during this period, primarily due to the resource pressure placed on the team by the need to complete urgent review work on the ERP Gold system. Full details of this and other current resource pressures, and plans to minimise the impact of these pressures on the Audit Plan going forwards, may be found at section 5.

**Table 1: Finalised Assignments**

No.	Directorate	Assignment	Compliance Assurance	Systems Assurance	Organisational impact
1.	Place & Economy	Highways Service Contract Review	N/A	Limited	Moderate
2.	Cross-Cutting (CCC-wide)	IT Platform Stability Plan	Good	N/A	Minor
3.	People & Communities	Deprivations of Liberty – Residential & Nursing Care	Limited	Limited	Moderate
4.	Place & Economy	SWIM Project Grant	Grant certification provided.		
5.	Place & Economy	Growth Fund	Grant certification provided.		

- 1.2 Summaries of the finalised reports with satisfactory or less assurance are provided in Section 4. This also excludes individual schools audits, which are reported collectively once all reviews have been finalised.
- 1.3 The following audit assignments have reached draft report stage, as set out below in table 2:

**Table 2: Draft/Interim Reports**

No.	Directorate	Assignment
1.	People & Communities	Deprivations of Liberty – Community Settings
2.	Cross-Cutting (CCC-wide)	Use of Consultants
3.	Place & Economy	Bus Service Operator's Grant
4.	Place & Economy	Cycle City Phase II
5.	Place & Economy	National Productivity Fund
6.	Place & Economy	Safer Roads Funding
7.	Place & Economy	Pothole Action Fund
8.	Place & Economy	Flood Resilience Fund
9.	Place & Economy	Cambridgeshire Challenge Fund

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

Section 2

## **2. FRAUD AND CORRUPTION UPDATE**

### **2.1 CURRENT INTERNAL AUDIT INVESTIGATIONS:**

A summary of the current investigative caseload of the Internal Audit team is provided below at table 3. This includes investigations relating to suspected theft, fraud or misuse of funds, which are led by Internal Audit.

**Table 3: Internal Audit Investigations Caseload**

Case Category	Description of activity or risk example	No.	Outcomes
<b>Investigations</b>	FACT Investigation	1	Ongoing support to post-report process.
	Conflicts of Interest Investigations	2	Ongoing investigation work.
		2	Closed – no fraud.
	Whistleblowing Complaint	1	Ongoing investigation work.
	Mileage and Expenses Investigation	1	Closed – minor recommendations made.
<b>Totals</b>		<b>7</b>	

## Section 3

# 3 IMPLEMENTATION OF MANAGEMENT ACTIONS

- 3.1 The outstanding management actions as at the end of August 2018 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 17 management actions outstanding. Of these, 4 are dependent on the implementation of ERP Gold, and have been delayed due to the 'go live' date being pushed back. These actions are all rated 'important' rather than 'essential'. Further detail is available at Appendix B.
- 3.3 Details of all outstanding actions are provided at Appendix B, below.

**Table 4: Outstanding Management Actions**

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
<b>Implemented</b>	0	0% (0%)	22	56% (53%)	22	56% (53%)
<b>Actions due within last 3 months, but not implemented</b>	0	0% (0%)	7	18% (11%)	7	18% (11%)
<b>Actions due over 3 months ago, but not implemented</b>	0	0% (0%)	10	26% (37%)	10	26% (37%)
<b>Totals</b>	0		39		39	

- 3.4 Eleven recommendations relating to the debt recovery and accounts receivable functions have been closed without being fully implemented, and removed from these figures. Remaining action on these recommendations has not yet been undertaken due to resource pressures and ongoing issues with the embedding of the ERP Gold system. Internal Audit is currently undertaking a full review of

accounts receivable and debt recovery in ERP Gold, and will re-evaluate the closed recommendations in conjunction with the findings of this latest work, which is expected to conclude in September 2018.

## **4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE**

### **A. PLACE & ECONOMY DIRECTORATE**

#### **A.1 Highways Contract Review**

In July 2017 the County Council commenced a new 10-year Highways Contract. Internal Audit therefore conducted a review to provide an early assurance that the management arrangements and internal controls are adequate in relation to this contract.

Based on the fieldwork completed, Internal Audit awarded limited assurance over the control environment in place for the Highways Contract. The review identified that few formalised policies and procedures exist, and although officers are making efforts to manage the contract in specific areas, overall the focus of management of the contract is not on the areas of key risk. The review also found that current controls do not reflect the necessary control environment for the contract in place.

Given the early stage that the contract is in, it is to be expected that there are areas of the contract management process which are not yet formally developed and embedded, or which need improvement. As such, Internal Audit conducted a review of day-to-day management practice relating to the contract, and produced recommendations for the service to use as a basis for developing a governance framework to improve the overall internal control environment.

Key recommendations include:

- Development of clear procedure notes identifying the key controls in the contract which must be complied with, and detailing how proportionate and effective contract management is achieved.
- The implementation of an annual reconciliation to actual costs at the end of each financial year, which should be subject to scrutiny by the Assistant Director of Highways and be reported to, and challenged by, the Joint Management Team.
- An annual programme of work to incorporate Key Performance Indicator data checks and quality visits across the contract, and an annual report on overall contract performance.



- Agreement over the definition of ‘actual cost’ so that a deduction for all disallowed costs and underperformance of any KPIs can be made at the end of the year. This should then be followed by an annual open-book review of the reconciliation, undertaken by Internal Audit on a sample basis.

## **B. PEOPLE & COMMUNITIES DIRECTORATE**

### **B.1 Deprivations of Liberty – Residential and Nursing Care**

An individual may be considered to be ‘deprived of their liberty’ under Article 5 of the Human Rights Act if they are under continuous supervision and control, are not free to leave, and have not consented to this. Such a situation may apply to Council service users who are in residential or nursing care or other care settings, particularly if they do not have the mental capacity to consent. The Council has a responsibility to ensure that individuals under its care are not deprived of their liberty without proper safeguards being in place, i.e. clear legal justification for the constraints they are under, and regular reviews of that justification and the level of constraint.

A different legal process applies depending on whether an adult being deprived of their liberty is in a residential or nursing home, or is based in the community. This review therefore focused on procedures for adults within care homes and hospitals, and a second audit review focused on procedures for adults in community settings. This will be reported in a subsequent Internal Audit Progress Report.

In reviewing this area, Internal Audit had regard to the fact that, as a result of a Supreme Court judgement in March 2014 which led to a much wider interpretation of what constitutes a ‘deprivation of liberty’ (DOL), many Councils including Cambridgeshire face a significant backlog of DOLs cases. The pressures faced by local authorities in this area have been recognised by the government and plans to replace the current DOLs system proposed. Equally, the advice from the Association of Directors of Adult Social Services (ADASS) is that although many authorities face difficulties in resourcing the number of referrals they receive, the evidence from the courts is that failure to meet the law leads to local authorities being required to pay damages and receiving public criticism.

Taking these facts into account, and based on the fieldwork conducted, Internal Audit identified a limited assurance level over the Council’s control environment and the compliance with controls in respect of deprivations of liberty for individuals in residential settings. The service responded to the findings of the audit on an ongoing basis, and a number of actions to respond to the issues identified by the review have already been undertaken.

The review identified a very significant backlog of cases, with some dating back to 2015. On average, individuals who were potentially being deprived of their liberty were remaining on the waiting list for an average of 531 days, in excess of the maximum period of one year prescribed by the Mental Capacity Act. A Business Case for a project to address this backlog has been approved to provide additional staffing resources to address this issue and work is underway. This will include a review of the type and level of staffing resource required to maintain an effective DOLs process.

Internal Audit also identified a lack of a formal prioritisation process for DOL cases requiring assessment, with no records kept of case prioritisation and a lack of a formal prioritisation tool. Prioritisation work was primarily carried out by one individual, creating a risk of a 'single point of failure'. A risk-assessed case prioritisation process based on the ADASS Prioritisation Questions has now been implemented in the team and prioritisation work is now led jointly between managers and shared with a wider team.

## **5. OTHER AUDIT ACTIVITY**

### **5.1 UPDATES TO THE INTERNAL AUDIT PLAN 2018/19**

Internal Audit has experienced a number of pressures on the delivery of the Internal Audit Plan 2018/19, due to additional requests for Internal Audit work as a result of the changing risk profile. In order to accommodate these pressures within available resource, a comprehensive review of the Audit Plan has been undertaken in August which has identified the following proposed changes to the Plan.

#### **5.1.1 Pressures on the Audit Plan**

The following section outlines the pressures at work on the Internal Audit Plan, in addition to those pressures which have previously been reported which include further work on the Highways Contract and on Public Health contract management.

- At the request of the Managing Director of LGSS and the Chief Executives and Section 151 Officers of the LGSS Client Authorities, the Internal Audit and Risk Management team is currently undertaking a series of reviews of the ERP system, to provide stakeholder assurance over the system's operation and user compliance. This work has been requested for completion within a tight timescale during August and September 2018. In order to complete the work, significant team resource has been diverted; in addition to requiring a review of the Audit Plan to accommodate the resource pressure, this has also led to delays in the completion of other ongoing pieces of audit work.
- Following the Audit & Accounts Committee meeting to discuss the Community Transport Investigation on the 31<sup>st</sup> July, additional work for Internal Audit has been requested in responding to the findings of the investigation and providing assurance over the organisation's response. This has included work on reviewing Council practice in awarding grants to voluntary and external organisations, review of revised processes at community transport providers, and follow-up on actions identified as part of the investigation.
- During a review of Deprivations of Liberty in late 2017/18, it became apparent that two separate systems exist for Deprivations of Liberty for adults, depending on whether the individual affected is based in a residential or community setting. This reflects the separate legal processes for the two

types of setting. As a result, it has been necessary to conduct two reviews to provide assurance over Deprivations of Liberty in Adults Services, in addition to the review of Deprivations of Liberty in Children's Services. As a result, the second review has been added to the 2018/19 Audit Plan.

- Internal Audit have been asked to provide support and advice to the Waste Management Steering Group.
- A number of additional grants requiring Internal Audit sign-off have been notified to our team since the previous Progress Report, including the Flood Resilience Fund, Innovate UK Grant and Cambridgeshire Challenge Fund.

### **5.1.2 Proposed Revisions to the Internal Audit Plan**

These additional pieces of work place pressure on the Audit Plan as set at the start of the year. As agreed in our protocol, Internal Audit recommend that the following adjustments are made to the Audit Plan:

- Due to other pressures on the team outlined above, work on developing a framework for a new project assurance process based on the Council's new project management framework has been delayed. Consequently the full planned reviews focused on Transformation Project Assurance can be shifted back to 2018/19, with some coverage of this area provided through planned assurance work on high-risk projects in the latter half of this year.
- Remove the planned reviews of Business Continuity, Business Continuity for Key Contracts, Capgemini Report Response, and the Neighbourhood Cares Project. Based on a review of the Internal Audit Plan these areas are those which are considered more low-risk, or where it is most possible for assurance to be obtained through other reviews; for instance, it will be possible to obtain assurance over contractual business continuity arrangements in other ongoing contract reviews.

APPENDIX A

## CCC INTERNAL AUDIT PLAN 2018/19

Audit Title	Status	Quarter Opened	Quarter Closed
<b>Cross-Cutting and Council Wide Audit</b>			
Agency Staff Compliance	Open	2	
EU Procurement Regulations	Open	2	
Procurement Compliance	Open	1	
Unannounced Visits	Draft	1	
Impact of Price & Quality Evaluation	Not Started		
Development of Project Assurance Framework	Open	2	
Project Assurance of High Risk Projects (1)	Not Started		
Project Assurance of High Risk Projects (2)	Not Started		
Project Assurance of High Risk Projects (3)	Not Started		
Project Assurance of High Risk Projects (4)	Not Started		
Development of Project Management Framework	Open	2	
Management of Consultants and Interims	Open	1	
Financial Planning, Demand Mgt and Control	Not Started		
Ely Bypass Review	Open	1	
Key Performance Indicators	Open	1	
Corporate Key Performance Indicator Framework	Not Started		
Discretionary and Non-Statutory Service Provision and Expenditure	Not Started		
Fees and Charges Policy and Compliance	Not Started		
Annual Key Policies and Procedures Review	Not Started		
Directorate Performance Management	Open	1	
Grants to Voluntary Organisations Compliance	Not Started		
Grants to Voluntary Organisations Framework	Closed	1	2
Procurement Governance	Not Started		

Annual Whistleblowing Policy Report and Awareness	Not Started		
<b>People &amp; Communities Directorate</b>			
Contract Management of Residential and Nursing Care Providers	Open	1	
Direct Payments Compliance	Open	2	
P&C Contract Management	Open	2	
Troubled Families Grant 18-19	Ongoing	All year	N/A
Schools Payroll & Safe Recruitment 18-19	Not Started		
Personal Budgets	Open	1	
Fostering Service	Open	1	
Special Educational Needs Placements	Not Started		
Annual Safeguarding Assurance	Not Started		
<b>Economy, Transport &amp; Environment Directorate</b>			
Transport Contract Management	Not Started		
Section 106 Funding	Not Started		
Highways Contract Open Book Review 18-19	Closed	1	2
Highways - Commercial Group	Open	2	
Highways – Contract Review	Open	2	
Waste Management Steering Group	Open	2	
Street Lighting PFI Open Book Review 18-19	Not Started		
Waste PFI Open Book Review 18-19	Not Started		
Local Transport Capital Block Funding	Open	1	
Growth Deal	Closed	1	2
Bus Services Operators Grant	Draft	1	
Pothole Action Fund	Draft	1	
Cycle City Phase II Grant	Draft	1	
National Productivity Fund	Draft	1	
Safer Roads Funding	Draft	1	
Procurement Transport Project	Closed	1	2
P&E Partnership Services Cost Recovery	Open	1	
Innovate UK - Smart Cambridge Grant	Open	2	
Flood Damaged Roads	Draft	2	
Cambridgeshire Challenge Fund (Drought Damaged Roads)	Draft	2	
SWIM Project	Closed	1	2

<b>Public Health and Corporate &amp; Customer Services Directorates</b>			
Public Health Contract Management	Draft	1	
Broadband Grant	Closed	1	1
Public Health Grant	Closed	1	1
<b>Key Financial Systems</b>			
Accounts Receivable	Not Started		
Purchase to Pay	Not Started		
Payroll	Not Started		
General Ledger	Not Started		
Bank Reconciliation	Not Started		
Treasury Management	Not Started		
Administration of Cambridgeshire Pension Fund	Not Started		
Financial Systems IT General Controls	Not Started		
ERP Assurance - Accounts Receivable	Open	2	
ERP Assurance - Accounts Payable	Open	2	
ERP Assurance - Payroll	Open	2	
ERP Assurance - General Ledger	Open	2	
ERP Assurance - IT Controls	Open	2	
Risk Management Audit	Not Started		
CCC Debt Recovery	Not Started		
<b>Governance &amp; Risk Management</b>			
Risk Management	Ongoing	All year	N/A
Annual Governance Statement-Code of Corporate Governance	Ongoing	All year	N/A
<b>Information Governance &amp; IT Audit</b>			
Information Security	Not Started		
Response to Information Security Incidents	Open	1	
Controls Review of Critical Systems	Not Started		
ICT Disaster Recovery	Not Started		
<b>Anti-Fraud and Corruption</b>			
Fraud Investigations 17-18	Ongoing	All year	N/A
Community Transport Investigation	Open	1	
Community Transport Tender Review	Closed	2	2
Whistleblowing Complaint	Closed	1	2
Declarations of Interest Investigation	Open	1	

Mileage & Expenses Investigation	Closed	1	1
National Fraud Initiative	Ongoing	All year	N/A
<b>Other Planned Work</b>			
Advice & Guidance	Ongoing	All year	N/A
Freedom of Information Requests	Ongoing	All year	N/A
Follow-Ups of Agreed Actions	Ongoing	All year	N/A
Audit Plan	Ongoing	All year	N/A
Committee Reporting	Ongoing	All year	N/A
Management Reporting	Ongoing	All year	N/A



## APPENDIX B

# Summary of Outstanding Recommendations

(Recommendations as at the end July 2018).

The below table excludes recommendations which are dependent on the implementation of ERP Gold; these have been split out and shown at a second table, below.

Audit	Risk level	Summary of Recommendation	Target Date	Status
Client Contributions Payment Methods	M	<b>Deferred Payment Agreements</b> The Service Delivery Manager Financial Assessments should ensure that all of the following staff are aware of the process for securing deferred payment agreements: <ul style="list-style-type: none"> <li>• Social Workers</li> <li>• Financial Assessments Team members</li> <li>• Debt Team members</li> </ul> If officers are not aware of relevant deferred payment agreements processes there is a risk that opportunities to secure debt recovery will be missed.	30/09/17	The service reported that development of mandatory Care Act management training for all new employees involved with deferred payments has started, but there have been major delays due to lack of capacity in the team. Due to staff turnover, new staff are now needing to be trained in undertaking the processing of Deferred Payment Agreements. This has been included as an outcome in appraisals for this year with a target date of 30 <sup>th</sup> September.  <b>Revised target date: 30<sup>th</sup> September 2018</b>
	M	<b>Services should apply to be transformed</b> Once services are able to determine the total cost of transactions by payment method, there should be a clear prioritisation for transforming services, based on the anticipated savings from transformation.  Without this prioritisation there is the risk that services may use less cost-effective methods of payment, at higher cost to the Council.	30/11/16	The service previously fed back that the roadmap for the Civica ICON project would include prioritisation for transforming services, based on anticipated savings and the new data that can be obtained from Civica.  Ownership of Civica ICON has now passed to the IT & Digital Team. There have been issues experiences with the interface between ICON and ERP Gold which has meant that the project to transform services has not moved forward quickly because this currently requires manual

				processing. At present a formal prioritisation for the transformation has not therefore been developed. This is being taken forward by Transformation and the IT & Digital Service. This remains the case at time of report.
<b>Information Security Culture</b>	M	<p><b>Information Security Incidents</b> The Information Governance team should amend the incident report template to ensure higher-risk actions resulting from security incidents are followed up and reviewed to ensure completion.</p> <p>The team should also amend the Information Security breach procedure, to include a formal escalation process to the IM board actions to prevent further incidents have not been completed.</p> <p>If there is no follow-up and actions are not completed, there is an increased risk that security incidents may happen again.</p>	31/12/17	<p>The service provided an initial response to audit follow-up, but on review this indicated that the information request may not have been fully understood.</p> <p>The Draft Audit Plan for 2018/19 includes a review of service responses to information security incidents. This audit is now underway and will provide a clear view of whether this action has been implemented and any further actions required.</p>
<b>Capital Programme Project Management</b>	M	<p><b>Scheme appraisal</b> Capital Programme Board is looking to relaunch the new business case template and capital process, which will include the process for reviewing ongoing schemes.</p> <p><u>Risk:</u> Schemes are scored inaccurately or inconsistently in Investment Appraisals, which could lead to schemes not being properly prioritised.</p>	31/03/18	<p>The Business Case template has not formally been re-launched yet. This is due to workload pressures from the revised timetable for production of the Council's Statement of Accounts, and absences over summer. However while not formally launched, the Capital Accountant has confirmed informally that all finance staff and members of CPB are aware of the template and the process, so it is already in use.</p> <p><b>Revised target date: 30<sup>th</sup> September 2018</b></p>

	M	<p><b>Maintaining complete, up to date project documentation</b></p> <p>Where changes are made to the scope of a project, the project documentation should be updated to reflect this. Where projects are ongoing for a long time, key documents, such as the business case and records of roles and responsibilities, should be reviewed regularly to ensure they remain up to date. This should include formally revisiting business cases and investment appraisals at least every two years.</p> <p><u>Risk:</u> Without the new template documentation may not be kept up to date meaning it cannot be referred back to if required, those outside the project team cannot see what is being done, and handovers are harder to do when there are changes to project staff.</p>	31/03/18	<p>Capital Programme Board has now agreed a process that whenever figures are updated as part of the Business Planning process, the Business Case will also need to be updated and send to corporate finance, who will then decide whether the update is significant enough that the revised Business Case needs to be returned to Capital Programme Board. The entire Business Planning Programme is reviewed every year, so if any individual Business Case needs to be updated, this should be identified as part of that review. This will be set out when the Business Planning programme is relaunched.</p> <p><b>Revised target date: 30<sup>th</sup> September 2018</b></p>
<b>3rd Party Assurance</b>	M	<p><b>Contracts do not have third party assurance requirements</b></p> <p>Officers responsible for commissioning high-value contracts with suppliers who are likely to hold or process large volumes of personal data, should consider including in their specifications that the Council must be provided with appropriate third party assurance over the security of systems. IT and Procurement officers should be aware of the possibility of including these requirements in specifications, and provide advice and guidance to officers commissioning such contracts.</p>	31/05/18	<p>The Head of Business Intelligence confirmed work is progressing on this recommendation as part of the General Data Protection Regulations contract work. This work is expected to be completed by the end of October 2018.</p> <p><b>Revised target date: 31<sup>st</sup> October 2018</b></p>
<b>Schools Payroll &amp; Safe Recruitment</b>	M	<p><b>Review of CCC Contracts with External Payroll Providers</b></p> <p>Internal Audit recommended a review of CCC's contracts with the external providers of payroll services to maintained school, to assess the requirements relating to the provision of third-party assurance over integrity of</p>	30/06/18	<p>A meeting with external payroll provider EPM is scheduled for September 2018 to discuss the recommendation.</p> <p><b>Revised target date: 30<sup>th</sup> September 2018.</b></p>

		payroll systems.		
<b>Joint Safeguarding Board Arrangements</b>	M	<b>Quorum Requirements for Joint Safeguarding Board</b> Internal Audit recommended that quorum requirements for the Joint Safeguarding Board are amended to require members from all three statutory partners to be in attendance in order for a Board meeting to be quorate. This requirement should be documented in the Terms of Reference for the Local Children Safeguarding Board and Safeguarding Adults Board.	31/07/18	This has been delayed due to the need for Executive Board sign-off but is expected to be approved at the next Executive Board meeting in September 2018.  <b>Revised target date: 30<sup>th</sup> September 2018.</b>
<b>Business Intelligence Continuity</b>	M	<b>Business Intelligence Service Plan and Team Work Plans</b> The Business Intelligence Service Plan should be reviewed to include how the Service aims to reduce silo working and overdependence on specific individuals and plans for cross-skilling members of the team.	30/06/18	Internal Audit is seeking assurance regarding how this has been incorporated in the current round of Business Planning.
	M	<b>Workforce Development Plan and Procedure Notes</b> A shared workforce development plan to be produced across the service. Procedure notes to be produced for key tasks in the Research and Internal Information teams, in particular any tasks which are undertaken by a single individual or are subject to significant time pressures.	30/06/18	The team note that a training plan has been produced and procedure notes created for key processes. Cross-skilling work is to be addressed as part of service planning in 2018/19.
	M	<b>Staffing Coverage in the Business Continuity Plan</b> Staffing to be included in the service's Business Continuity Plan, including detail of how the service will continue to provide services during periods of time where large numbers or key members of staff are unavailable. The plan should identify potential key points of failure, with a focus on any statutory services or work which affects statutory services.	30/06/18	The service has a staffing resource planner to monitor staffing hours available to them, which is reviewed by management and reported to Directorate Management Team via a highlight report. Internal Audit is seeking to ascertain whether staffing is covered in the Business Continuity Plan.

	M	<b>Written Prioritisation Framework</b> A formal written prioritisation framework to be produced as part of service planning. This will clearly identify what work constitutes planned 'Business As Usual' work and the capacity required to complete this; how the service will prioritise requests for additional work from commissioners and the process of approving new work to be taken on; and how the team will identify work which can be cancelled or delayed if high-priority additional work is identified and there is not capacity to complete this as well as other planned work.	30/06/18	Creation of a written prioritisation framework is to be addressed as part of service planning in 2018/19. Internal Audit is seeking assurance over current progress with this action.
<b>Direct Payments Compliance</b>	M	<b>Monitoring done by Direct Payment Support Services</b> The role of the Direct Payment Support Services in relation to the type and frequency of monitoring they carry out on accounts must be clarified.  Direct Payment Monitoring Officers should monitor a sample of trackers with the relevant invoices to ensure Purple/Penderels are paying out money in accordance with the service user's Care and Support plan.  Risks: • Service users could misuse their money without detection • The Council may not be getting value for money from their chosen Direct Payment Support Service	30/04/18	The Internal Audit team are now reviewing direct payments contract processes as part of the 2018/19 Direct Payments review.

## Summary of Outstanding Recommendations – Dependant on ERP Gold

(Recommendations as at the end July 2018).

Audit	Risk level	Summary of Recommendation	Target Date	Status
<b>Information Governance Policies</b>	M	<p><b>Asset management policies and procedures</b></p> <p>A complete physical asset register, listing the council staff member responsible for the asset should be created</p> <p>If assets are not managed or lost there is a risk of data breaches occurring (and not identified) leading to reputational or financial damage.</p>	30/09/17	<p>As part of the new ERP Gold system there is a plan to create a “Resource Master File” to record when a new/moving staff member is issued a piece of IT equipment. This was delayed due to the go live date for ERP Gold being pushed back.</p> <p>There have been delays due to ensuring the ERP system is ready and ensuring that IT are involved. A review of the system is needed. Progress is expected early next year.</p> <p><b>Revised target date: 1<sup>st</sup> January 2019</b></p>
<b>Section 106</b>	M	<p><b>S106 Monitoring system records:</b></p> <p>Following the introduction of a new S106 monitoring system, every scheme should be subject to detailed review to establish that all of the information relating to each scheme is complete and accurate.</p>	30/09/17	<p>This is dependent on procurement of the new monitoring system, which has been delayed. Given the problems with ERP Gold when it went live, it was agreed amongst the project team that more time should be allowed to ensure that ERP Gold is performing satisfactorily before they commit to procuring the new system. Current IT / LGSS Digital is reviewing the final IT requirements in light of ERP Gold functioning, which will allow the procurement to go ahead. A Business Case is being drafted with the Transformation team.</p> <p><b>Revised target date: end September 2018.</b></p>

<b>Client Contributions Payment Methods</b>	M	<b>Monitoring Take-Up of Direct Debits</b> Regular monitoring of the take up of direct debit payments should be undertaken to identify if activities to encourage customers to pay by direct debit have been successful.	30/04/17	Direct Debit uptake will be added to the list of proposed measures for the finance dashboard, to be agreed by management teams. This action was planned to be linked to the new online Direct Debit form being set up. This form has been delayed in being developed due to issues with ERP Gold.  <b>A further update will be chased for 31 October 2018.</b>
<b>Safe Recruitment Compliance</b>	M	<b>Flag Overdue DBS Information:</b>  For all employees involved in regulated activities and who require an Enhanced DBS check, a flag should appear on ERP Gold until DBS information has been entered. Without this, there is a risk that follow-up action to ensure all DBS checks are in place may not be undertaken.	31/12/17	The problems with reports from the new ERP system are ongoing. HR are working with colleagues involved in delivery of ERP to try to progress this action. At present it is not possible to give a clear indication of when it is likely to be possible to implement this action.  <b>A further update will be chased for end September 2018.</b>