

INTERNAL AUDIT PROGRESS REPORT AS AT 28TH FEBRUARY 2018

To: **Audit & Accounts Committee**

Date: **27th March 2018**

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

1. PURPOSE

- 1.1 To report on the main areas of audit coverage for the period 1st January 2018 to 28th February 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 Audit & Accounts Committee is requested to consider and comment on the contents of this report.

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LGSS Internal Audit & Risk Management

Cambridgeshire County Council

Update report

As at 28th February 2018

Section 1

1. FINALISED ASSIGNMENTS

- 1.1 Since the previous Progress Report to Strategic Management Team (SMT) in January 2018, 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.	Cross-Cutting (CCC-wide)	Members Travel & Subsistence	Good	N/A	Minor
2.	Cross-Cutting (CCC-wide)	Bank Reconciliations	Substantial	Substantial	Minor
3.	Cross-Cutting (CCC-wide)	Administration of the Cambridgeshire Pension Fund	Substantial	Substantial	Minor
4.	People & Communities	Troubled Families Grant	Certification of the Troubled Families Grant Claim (Early March Claim Window)		
5.	People & Communities	Social Care Charging Investigation	Investigation report produced		
6.	Cross-Cutting (CCC-wide)	Use of Social Media (Regulation of Investigatory Powers Act (RIPA))	Report provided on policy and compliance with RIPA in use of social media.		
7.	People & Communities	Wilburton Primary School – Safer Recruitment & Payroll	Safer Recruitment – Good Assurance Payroll – Good Assurance		
8.	People & Communities	Westwood Primary School – Safer Recruitment & Payroll	Safer Recruitment – Good Assurance Payroll – Good Assurance		

- 1.2 Summaries of the finalised reports with satisfactory or less assurance are provided in Section 6. 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	Overtime & Enhancements in People & Communities
2.	People & Communities	Direct Payments Compliance
3.	People & Communities	Deputyships
4.	People & Communities	Pendragon Community School
5.	People & Communities	Colville Primary School
6.	People & Communities	Duxford Primary School
7.	Cross-Cutting (CCC-wide)	General Ledger
8.	Cross-Cutting (CCC-wide)	Treasury Management
9.	Cross-Cutting (CCC-wide)	Financial Systems IT Controls
10.	Cross-Cutting (CCC-wide)	Use of Consultants
11.	Cross-Cutting (CCC-wide)	Capital Programme Board
12.	Cross-Cutting (CCC-wide)	Commercial Board
13.	People & Communities	Commissioning Board
14.	Corporate & Customer Services	Preparation for General Data Protection Regulations

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

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. As at the end of February 2018, 51 cases had been referred to Audit.

Table 3: Internal Audit Investigations Caseload

Case Category	Description of activity or risk example	No.	Outcomes
Direct Payments	Concerns regarding misuse or fraud relating to a direct payment.	1	Investigation concluded & report issued.
		1	Initial referral stage.
Concessionary Travel	Misuse of travel passes	2	Closed – advice given.
		7	Closed – pass withdrawn.
		10	Closed – no fraud.
		1	Closed – no further action.
		1	Closed – passed to the D.W.P.
Blue Badges	Misuse of Blue Badges	10	Closed – badge withdrawn.
		11	Closed – no fraud.
Investigations	Fenland Association for Community Transport (FACT) Investigation	1	Ongoing investigation work.
	Social Care Charging Review	1	Closed – no fraud. Reports issues.
	Agency Worker	1	
	Conflicts of Interest Investigations	3	Ongoing investigation work.
Schools financial	Concerns regarding financial irregularities in schools	1	Closed – no fraud.
		2	Site visits completed and reports issued with recommendations.
Totals		53	

3 IMPLEMENTATION OF MANAGEMENT ACTIONS

- 3.1 The outstanding management actions as at the end of February 2018 are summarised in Table 5, which includes a comparison with the percentage implementation from the previous report (bracketed figures).
- 3.2 Please note that an exceptionally high number of actions have become due to date this financial year. 104 actions have required follow up to the end of February; for comparison, 52 actions were followed-up in the entire 2016/17 year. This has placed a strain on the ability of Audit to obtain full information for all actions.
- 3.3 There are currently 26 management actions outstanding. Of these, 6 are dependent on the implementation of ERP Gold, and therefore have been delayed due to the 'go live' date being pushed back.
- 3.4 A summary of the outstanding recommendations, and the current progress with implementing them, is provided in a table at Appendix B.
- 3.5 The internal audit team is experiencing some degree of difficulty when trying to confirm that management actions have been implemented by the agreed date. In addition to this being unnecessarily time consuming, the outcome is often that agreed dates are simply being pushed back. At face value, this represents a continuing threat to the governance of the organisation, i.e. an agreed improvement to the control environment not being implemented in a timely manner.
- 3.6 To try to shine more of a light on this issue, future reports will schedule each management action by directorate, to facilitate discussion around the continuing relevance of the recommendation and the appropriateness of the response. Internal Audit are also reviewing their internal procedures for the follow-up of outstanding recommendations to ensure that these processes are robust.

[Please see Table 5, overleaf]

Table 5: Outstanding Management Actions

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
Implemented	5	5% (5%)	75	72% (69%)	80	77% (74%)
Actions due within last 3 months, but not implemented	0	0% (0%)	8	8% (12%)	8	8% (12%)
Actions due over 3 months ago, but not implemented	1	1% (1%)	15	14% (13%)	16	15% (14%)
Totals	6		98		104	

Section 4

4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE

No such audit reports have been issued since our last progress report to Committee in January 2018.

5. OTHER AUDIT ACTIVITY

5.1 ZURICH RISK MANAGEMENT 'HEALTH CHECK' REVIEW

It was agreed by SMT and Audit & Accounts Committee in November 2018 that the Council's insurers, Zurich, would conduct a risk management health check and benchmarking review of Cambridgeshire.

Officers from Zurich visited Cambridgeshire on the 28th February 2018 and interviewed a number of key individuals involved in risk management, including the Chair of Audit & Accounts Committee, the Head of Finance, Director of Corporate and Customer Services, the Head of Business Intelligence, organisational Risk Champions and other officers. A review was also conducted of key risk documentation.

Initial feedback from the review has now been provided to the Council and was broadly positive, with a number of areas of strength identified including the Corporate Risk Group concept and engagement of Risk Champions, and the quality and format of the Corporate Risk Register. Areas for development were also identified, including the approach to risk appetite and approach to contract risk management.

A conference call to discuss findings is scheduled for the 23rd March, after which the report will be issued.

5.2 REVIEW OF IT SECURITY POLICIES

As part of their ongoing role in providing advice and guidance, Internal Audit has been providing input to a comprehensive review of IT Security policies currently taking place. This has included reviewing and providing feedback on a range of policies including IT Records Management, Acceptable Use Policy, Equipment Disposal Policy, and the e-Safety Policy.

APPENDIX A

CCC INTERNAL AUDIT PLAN 2017/18

Audit Title	Status	Quarter Opened	Quarter Closed
Other Risk-Based Audits 17-18 (Contingency)	Ongoing	N/A	N/A
Cross-Cutting and Council Wide Audit			
Agency Staff Compliance	Complete	2	3
EU Procurement Regulations - Compliance	Open	2	
Review of Procurement - Compliance - Q1	Complete	1	2
Review of Procurement - Compliance - Q3	Complete	3	3
Overtime & Enhancements in CFA	Draft	1	
Members Travel & Subsistence	Complete	3	4
Procurement Exemptions Compliance	Draft	3	
Unannounced Visits - Archives	Complete	1	2
Unannounced Visits – Wisbech Children’s Centre	Complete	1	2
Unannounced Visits – St Neots Children’s Centre	Complete	1	2
Projects Assurance 17-18 Central Code	Complete	1	2
Project Assurance - LAC Property Project	Complete	1	2
Project Assurance - CPSN	Complete	1	3
Project Assurance - Energy Efficiency Fund	Complete	1	2
Project Assurance - Citizen First, Digital First	Complete	1	3
Project Management Methodologies	Complete	1	3
Use of Consultants	Draft	1	
Social Media Audit	Complete	1	4
Scheme of Delegation - Compliance	Complete	1	1
Capital Programme Assurance	Complete	1	3
Capital Programme Board	Draft	1	
Commercial Board	Draft	1	
Key Performance Indicators	Open	3	
Transformation Programme	Ongoing	All year	N/A
Property Portfolio Development Project	Ongoing	All year	N/A

Ethics Policies & Compliance	Complete	2	3
Whistleblowing Policy & Compliance	Open	1	
People & Communities Directorate			
Governance of Financial Assessments	Complete	1	3
Traded Services - Cost Recovery	Open	2	
Deprivations of Liberty	Open	2	
Safe Recruitment	Complete	1	3
Joint Safeguarding Board Arrangements	Open	3	
Deputyships	Draft	2	
Direct Payments - Compliance	Draft	2	
Troubled Families Grant	Ongoing	All year	N/A
Commissioning Board	Draft	2	
Schools Payroll & Safe Recruitment	Draft	2	
Disabled Facilities Grant 16/17	Complete	1	1
Disabled Facilities Grant 17/18	Complete	3	3
Economy, Transport & Environment Directorate			
Other Grants To Be Identified (Contingency)	Ongoing	All year	N/A
Highways Contract Management Arrangements	Open	3	
Highways Contract Open Book Reviews	Ongoing	All year	N/A
Street Lighting PFI	Open	2	
Waste PFI Contract	Open	4	
Local Transport Capital Block Funding	Complete	1	3
Local Growth Fund Grant (Growth Deal)	Complete	1	1
Bus Services Operators Grant	Complete	1	2
Pothole Action Fund	Complete	1	2
Cycle City Phase II Grant	Complete	2	2
Section 31 Grant	Complete	1	1
Public Health and Customer Service & Transformation Directorates			
Business Intelligence Continuity	Complete	1	3
Corporate Capacity Review Outcomes	Open	1	
Key Financial Systems			
Accounts Receivable	Open	4	
Purchase to Pay	Open	4	
Payroll	Open	4	
General Ledger	Draft	4	

Bank Reconciliation	Complete	4	4
Treasury Management	Draft	4	
Administration of Cambridgeshire Pension Fund	Complete	4	4
Financial Systems IT General Controls	Draft	4	
Risk Management Audit	Not started	4	
CCC Debt Recovery	Open	3	
Governance & Risk Management			
Risk Management	Ongoing	All year	N/A
Annual Governance Statement-Code of Corporate Governance	Ongoing	All year	N/A
Information Governance & IT Audit			
Information Governance - GDPR	Draft	2	
Information Security	Complete	3	3
Information Security Culture	Complete	1	3
ERP System IT Controls	Complete	3	4
Assurances from 3rd Parties	Complete	2	
IT Platform Stability Plan	Open	4	
Agresso Data Migration	Complete	2	4
Anti-Fraud and Corruption			
Preventative & Pro-active Fraud Work	Ongoing	All year	N/A
Fraud Investigations 17-18	Ongoing	All year	N/A
Community Transport Investigation	Open	1	
Direct Payments - D. Investigation	Complete	1	2
Social Care Charging Investigation	Complete	1	4
Declarations of Interest Investigation	Open	3	
Teversham School Investigation	Complete	2	3
Thornsgleyfields School Investigation	Complete	2	3
Agency Worker Investigation	Complete	3	4
CCC 17-18 Fraud - Initial Referrals	Ongoing	All year	N/A
National Fraud Initiative	Ongoing	All year	N/A
Other Planned Work			
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 February 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
Debt Recovery	M	Debt Prevention Strategy Consideration should be given to developing a debt prevention strategy to be incorporated into the LGSS Collections Strategy to set out the Council's approach to preventing debt e.g. through the promotion of direct debit, deferred payment, interest charges etc.	01/10/17	<p>The service reported that a draft, revised Collection Strategy was being finalised to strengthen/make explicit debt prevention activities and update on areas such as Late Payment Interest and that this would be sent to the Head of Finance by 8 January 2018.</p> <p>Internal Audit requested a progress update 2nd March 2018 but at time of writing an update or revised target date had not been received. The service has been undergoing considerable staff turnover and is under pressure as a result of the current implementation of ERP. As a Debt Recovery audit is planned to commence shortly, this will address outstanding recommendations so an update can be made this way.</p>
	M	Payment Methods and Credit Control Consideration should be given to updating the LGSS Collection Strategy to include offering settlement rebates, customer credit limit and the imposition of penalties for late payment. This could help limit the build-up of potentially unrecoverable debt and assist in timely repayment of debts owed.	30/11/17	As above.

	M	<p>Default Payment by Direct Debit Direct debit payments should be the default option for payment by service users, and this should be formalised and communicated in a policy which also states that:</p> <ul style="list-style-type: none"> • Social Care clients who have failed to pay an invoice on time should be set up on a direct debit; • Payment plans should be paid via direct debit. <p>This could help limit the build-up of potentially unrecoverable debt and assist in timely repayment of debts owed</p>	01/07/17	<p>The service reported that the area where the biggest change can be made in getting service users to use direct debit is in social care. A form for setting up direct debits online has been created and was expected to be in use in early 2018. This form has been delayed in being implemented and is currently with Cambridgeshire IT to resolve/determine the required format and implementation actions required.</p> <p>A revised target date of 31 October 2018 was provided.</p> <p>As a Debt Recovery audit is planned to commence shortly, this will address outstanding recommendations so an update can be made this way.</p>
Replacement of AIS system (MOSAIC Project)	M	<p>Governance Arrangements and Benefits Final versions of the Business Case, Project Initiation Document and Terms of Reference for the Project Board, should be completed and signed off by the Project Board. These key documents should include:</p> <ul style="list-style-type: none"> • The roles and responsibilities of key officers or groups; • The expected measurable benefits and timescales of the Mosaic project; • A detailed and up-to-date project plan with owners and target dates for each action; and • How progress against the project plan will be measured. <p>The completion and sign off of key project documents is important to the successful governance and completion of the project.</p>	31/03/17	<p>A Terms of Reference was agreed by the Board in December 2017.</p> <p>A Project Initiation Document had been produced but requires revision and formal approval in light of project changes. As of the most recent update from the Project Board following the Mosaic Board meeting on the 7th March 2018, a final version of the Business Case has not yet been completed and signed off.</p> <p>A briefing note has been provided to management regarding the status of the outstanding actions which proposes that this project could be an area for audit focus as part of the 2018/19 Audit Plan which in its draft form includes an allowance of time for auditing key projects.</p>

	M	Ongoing Contract Monitoring The project team should develop a plan for ongoing contract monitoring, to include who is responsible for contract monitoring, how often formal monitoring activity will be undertaken (including when the project moves into business as usual phase). This should be undertaken in accordance with the Council's Contract Procedure Rules to help ensure that benefits are realised and value for money is achieved.	31/05/17	This has been identified in the project review work as an area where a plan is required. Work on developing a post-live plan is underway, which could include a planned timeline for developing ongoing contract management and monitoring arrangements. A briefing note has been provided to management regarding the status of the outstanding actions which proposes that this project could be an area for audit focus as part of the 2018/19 Audit Plan which in its draft form includes an allowance of time for auditing key projects.
	M	Service Level Agreement with IT As the new system will be business-critical, an SLA should be developed and put in place with LGSS IT which details the support to be provided, timescales and arrangements for fixing system issues, and to define the responsibilities of the supplier and LGSS IT. This is essential to help ensure the availability of the system to support effective service delivery.	31/05/17	This has been identified in the project review work as an area where a plan is required. Work on developing a post-live plan is now underway, which could include a planned timeline for agreeing IT support arrangements. A briefing note has been provided to management regarding the status of the outstanding actions which proposes that this project could be an area for audit focus as part of the 2018/19 Audit Plan which in its draft form includes an allowance of time for auditing key projects.
CFA - Client Contributions	M	Monitoring Take-Up of Direct Debits 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 online Direct Debit form being set up. This form has been delayed in being implemented and is currently with Cambridgeshire IT to resolve/determine the required format and implementation actions required.

				A revised target date of 31 October 2018 was provided.
	M	Deferred Payment Agreements 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"> • Social Workers • Financial Assessments Team members • Debt Team members 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 some delays due to lack of capacity in the team. A revised target date of the end of January 2018 was initially provided. Although Internal Audit requested a progress update 2 nd March 2018, at time of writing an update or revised target date had not been received.
Payment Methods	M	Services should apply to be transformed 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. As at March 2018, it was reported that 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.
	M	List of Corporate Policies A central policy register should be created, including all major corporate policies which apply to all staff, to ensure that staff can find policies easily in one central location.	31/12/17	Either a corporate policy register as per the audit recommendation, or Statements of Recommended Practice covering the major corporate policy areas will be created and made

		<p>This policy register could include a mechanism for highlighting to policy owners when their policies are due for review in order to ensure that policies are kept up to date.</p> <p>Risk: Staff are unable to access corporate policies and therefore may lack a clear understanding of their roles and responsibilities.</p>		<p>available on CamWeb.</p> <p>Internal Audit contacted the Transformation Team 8 March 2018 for an update. The Transformation Team are proposing a workshop with staff to do a 'live development' of the page before it is launched. Audit has recommended launching an initial version of the page live on CamWeb and then further developing it later. This would mean that the implementation of the recommendation is not delayed. A draft of this page has now been produced.</p>
Transformation Programme Benefits Realisation	H	<p>Governance Roles for Transformation Programme</p> <p>Current governance arrangements should be reviewed to ensure that responsible bodies are clearly defined for:</p> <ul style="list-style-type: none"> • Oversight of the overall Transformation Programme; • Ensuring that ongoing projects align with strategic priorities; • Assessing whether the Transformation Programme is producing the necessary level of benefit realisation; and • Providing detailed scrutiny and approval of individual transformation proposals. <p>It should be clarified how different bodies report into each other and how major risks to be escalated at programme level.</p> <p>Without clear governance systems, savings may not be achieved.</p>	31/07/17	<p>A response was received from the Transformation Team with regards to the governance roles for the transformation programme which indicate that the governance arrangements have been further formalised since this recommendation was initially made. As the response was only received shortly prior to reporting to Committee, it was not possible to determine before this report was sent whether the recommendation could be completely closed on the basis of the actions already undertaken, or whether there were aspects of the recommendation which remained outstanding.</p>
16/17 – Investigation - Ely Archives	M	<p>Project Management Training</p> <p>The corporate Transformation Team should develop project management training. Initially the focus should be to provide a strong induction process for members of the</p>	31/12/17	<p>Internal Audit met with the Head of Transformation 8 March 2018 and confirmed that this work is ongoing and is dependent on the development of the project management</p>

		Transformation Team, who form the core of the Council's project management resource, with the intention to roll this out across the organisation by the end of the year.		framework. Revised target date: end June 2018.
17/18 - Information Security Culture	M	<p>Information Security Incidents 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. No further response was received prior to the deadline for Audit Committee papers but this continues to be followed up.</p> <p>The Draft Audit Plan for 2018/19 includes a review of service responses to information security incidents.</p>
16/17 - IT - Information Security	M	<p>Information Asset Register The Information Asset Register needs to be updated and highlight who is responsible for each information asset held by CCC and should be reviewed annually.</p>	31/12/17	<p>The service is currently meeting with teams across the organisation to discuss what information assets they own. They plan for this work to be completed ready for when the new GDPR regulations come into force.</p> <p>Revised target date: End May 2018.</p>
17/18 - Project Management Methodologies	M	<p>Project Management Methodologies Communications: Develop a communications plan that identifies all officers or teams involved in projects at the Council, and details how they will be consulted with prior to development of new methodologies and how the new methodologies, once developed, will be communicated to them. If project management methodologies are not used effectively there may be an adverse impact on benefits realisation.</p>	31/1/18	<p>Internal Audit met with the Head of Transformation 8 March 2018 and confirmed that this recommendation is being taken forward as part of the development of the project management framework. This work is led within the Transformation Team and with advice and support from Internal Audit.</p>

	M	<p>Project Management Methodologies Feedback: Develop a plan for receiving feedback from users of new project management methodologies, and feeding this in to review of the methodologies. This should include examples of good practice and lessons learned so that these can be shared across the organisation.</p> <p>If project management methodologies do not remain relevant to the needs of users, then the benefits of them may not be realised in the long term.</p>	31/1/18	Internal Audit met with the Head of Transformation 8 March 2018 and confirmed that this recommendation is being taken forward as part of the development of the project management framework. This work is led within the Transformation Team and with advice and support from Internal Audit.
	M	<p>Verto: Communications Plan: Put in place a communications plan to ensure that consistent information about Verto is communicated to all staff, councillors and external partners who will use it. This should include identification of everyone who needs to be informed (both internal and external). If staff are not aware of the system and how to use it, the benefits of the new system may not be realised.</p>	31/1/18	<p>The Transformation Team will develop an ongoing communications plan for Verto to address the recommendation. This will include ensuring that guidance for using Verto is clear and easily accessible.</p> <p>Awaiting revised target date.</p>
	M	<p>Verto: External Partner Communication: Identify all staff who currently undertake projects jointly with external partners, and communicate with them to ensure they are able to put the requirement of using Verto as the project management tool into contracts. Investigate whether this has an impact on the cost of contracts with external partners. Provide training and guidance to external users of the Verto system as required.</p> <p>If external partners are unwilling to use Verto the full benefits of the new system may not be realised. In addition, if using Verto creates additional work for external partners they may seek to increase in the cost of contracts with them.</p>	31/1/18	As above.

Summary of Outstanding Recommendations – Dependant on ERP Gold

(Recommendations as at the end February 2018).

Audit	Risk level	Summary of Recommendation	Target Date	Status
Debt Recovery	M	Outstanding Debt Collection Procedures The Debt Team should engage in design of the new ERP Gold system to ensure it will have the capability to: <ul style="list-style-type: none"> flag debts for the attention of the Debt Team when collections notes have not been recorded for a defined period; to write off account balances rather than individual transactions for bad debts. This will help ensure timely debt collection activity and more efficient processing of write offs.	31/08/17	This has been delayed due to some changes to published reports in the new ERP system and revised timescales for ERP implementation. The Debt team is looking into making changes to the system before go live. Revised target date: end April 2018.
	M	Reduction in Invoicing Instead of issuing four weekly invoices to service users paying by direct debit, they should be provided with an annual statement detailing the care charges and the date that the direct debits were collected. This will reduce the cost to the organisation of issuing regular invoicing.	31/10/17	Consideration will be given to providing an annual statement to service users paying by direct debit. However detailed analysis, planning and evaluation of costs will require a strategic decision and appropriate approval. Work on this issue will be deferred until after ERP Gold has been implemented due to the required resources being deployed on the programme. (See Collection of Client Contributions recommendation below.) Revised target date: end April 2018.
	M	Reporting of Debt and Write-Offs The ERP Gold system should include additional functionality in reporting write-offs such as write offs by reason code and write off by customer. This will assist in detailed analysis of write off to help develop debt prevention and recovery strategies focusing on high risk areas.	31/10/17	Work continues to test reporting functionality of the ERP Gold system and whether write off reasons can be extracted in reports. Internal audit requested a progress update 2 March 2018 but at time of writing an update or revised target date had not been received.

				A debt recovery audit is currently being planned to commence shortly and this will address outstanding recommendations.
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	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 has been delayed due to the go live date for ERP Gold being pushed back. Revised target date: end May 2018.
Section 106	M	S106 Monitoring system records 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.	30/09/17	This is dependent on procurement of the new monitoring system, which has been delayed. The system will need to link to ERP Gold for income monitoring, so this recommendation cannot be implemented until ERP Gold has gone live. Revised target date: end April 2018.
17/18 - Safe Recruitment Compliance	M	Flag Overdue DBS Information: For all employees involved in regulated activities and 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	ERP team to investigate whether this can be incorporated into the new system and if not, an alternative mechanism to be put into place. Revised target date: end April 2018.