

Agenda Item No. 10

TITLE **Internal Audit Progress Report**

To: **Audit & Accounts Committee**

Date: **30th July 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 March 2018 to 31st May 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.

Recommendations

- 1) Audit & Accounts Committee is requested to consider the contents of this report.
- 2) Audit & Accounts Committee are asked to consider what other jobs can be removed to accommodate the additional work outlined in section 5.1.

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LGSS Internal Audit & Risk Management

Cambridgeshire County Council

Update report

As at 31st May 2018

Section 1

1. FINALISED ASSIGNMENTS

- 1.1 Since the previous Progress Report to Strategic Management Team (SMT) in March 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)	Financial Systems IT Controls	Substantial	Satisfactory	Minor
2.	Cross-Cutting (CCC-wide)	General Ledger	Good	Good	Minor
3.	Cross-Cutting (CCC-wide)	Accounts Payable	Substantial	Substantial	Minor
4.	Cross-Cutting (CCC-wide)	Accounts Receivable	Good	Good	Minor
5.	Cross-Cutting (CCC-wide)	Payroll	Substantial	Substantial	Minor
6.	Cross-Cutting (CCC-wide)	Debt Recovery	Good	Satisfactory	Moderate
7.	Cross-Cutting (CCC-wide)	EU Procurement Regulations Compliance	Satisfactory	N/A	Minor
8.	Cross-Cutting (CCC-wide)	General Data Protection Regulations Planning	Good	Good	Minor
9.	People & Communities	Joint Safeguarding Board Arrangements	Good	Good	Minor
10.	People & Communities	Deprivations of Liberty – Children's	Good	Satisfactory	Minor
11.	People & Communities	Overtime & Enhancements in People & Communities	Satisfactory	Satisfactory	Moderate
12.	People & Communities	Direct Payments Compliance	Satisfactory	N/A	Minor

13.	People & Communities	Deputyships	Good	Good	Minor
14.	People & Communities	Payroll Transaction Testing & Safer Recruitment in Schools	Good	Good	Minor
15.	Public Health	Public Health Grant	Assurance over use of ring-fenced grant provided.		
16.	Corporate & Customer Services	BDUK Broadband Grant	Grant certification provided.		
17.	People & Communities	Pendragon Primary School – Safer Recruitment & Payroll	Safer Recruitment – Good Assurance Payroll – Good Assurance		
18.	People & Communities	Colville Primary School – Safer Recruitment & Payroll	Safer Recruitment – Satisfactory Assurance Payroll – Good Assurance		
19.	People & Communities	Duxford Primary School – Safer Recruitment & Payroll	Safer Recruitment – Good Assurance Payroll – Good Assurance		
20.	People & Communities	Troubled Families Grant	Grant certification provided.		

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.	Place & Economy	Highways Contract
2.	People & Communities	Deprivations of Liberty – Residential & Nursing Care
3.	Cross-Cutting (CCC-wide)	IT Platform Stability Plan

4.	Cross-Cutting (CCC-wide)	Use of Consultants
5.	Cross-Cutting (CCC-wide)	Capital Programme Board
6.	Cross-Cutting (CCC-wide)	Commercial Board
7.	People & Communities	Commissioning Board

- 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
Investigations	FACT Investigation	1	Ongoing support to reporting 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.
Totals		7	

Section 3

3 IMPLEMENTATION OF MANAGEMENT ACTIONS

- 3.1 The outstanding management actions as at the end of May 2018 are summarised in Table 5 below, which includes a comparison with the percentage implementation from the previous report (bracketed figures).
- 3.2 Please note that as this is the first report of the 2018/19 financial year, recommendations implemented last year (noted in the previous progress report) have been removed from the figures in table 5. This leads to a reduced total number of recommendations, and decreased implementation percentages compared to the previous report. There are currently 18 management actions outstanding, a reduction from 24 outstanding at our last report at the end of March. Of these, 6 are dependent on the implementation of ERP Gold, and have been delayed due to the 'go live' date being pushed back.
- 3.3 Details of outstanding actions are provided at Appendix 2, below.

Table 5: Outstanding Management Actions

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
Implemented	0	0% (5%)	20	53% (69%)	20	53% (74%)
Actions due within last 3 months, but not implemented	0	0% (0%)	4	11% (12%)	4	11% (12%)
Actions due over 3 months ago, but not implemented	0	0% (1%)	14	37% (13%)	14	37% (14%)
Totals	0		38		38	

- 3.4 Three actions relating to the Mosaic Project have been closed to follow-up by Internal Audit, without having been implemented (and are therefore not reflected in

the table above). This project seeks to implement a new social care IT system, and an audit was carried out with the final report issued in October 2016. This recommended the need to develop final versions of the project's Business Case, Project Initiation Document and Terms of Reference for the Project Board; the need to develop a plan for ongoing contract monitoring of the supplier of the new system; and to finalise an SLA covering support arrangements from LGSS IT.

The project has undergone a number of changes and revisions since the audit report was first released and has been further revised in early 2018. A briefing note has been provided from Internal Audit to management, highlighting the outstanding actions and other risk areas. Internal Audit plans to undertake a review of the revised project in 2018/19 as part of a set of project reviews, which will provide a more detailed view of current project progress and any issues.

4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE

A. CROSS CUTTING REVIEWS

A.1 EU Procurement Regulations Compliance

Internal Audit conducted a review of a sample of eight contracts in excess of the EU Procurement threshold, reviewing the process followed in awarding each contract to confirm whether key aspects of the EU Public Contracts Regulations 2015 and the Council's Contract Regulations had been complied with.

It was found that the majority of the key aspects of these processes were followed in all eight cases, including requirements around obtaining minimum number of bids, establishing criteria for selecting the most economically advantageous tender, and adhering to minimum timescales. The overall level of compliance assurance for the review was satisfactory, due to two compliance weaknesses.

The Council's Constitution states that a 'key decision' is one which incurs expenditure or makes savings in excess of £500,000; these decisions require Committee approval, but two of the six procurements in the sample which required approval under these rules did not receive it. The audit identified that the reason for this primarily appeared to be officers misunderstanding the role of the Joint Commissioning Board; officers were under the impression that the responsibility for approval had been delegated to the Joint Commissioning Board. Such a delegation is not recorded in the Council's Contract Procedure Rules. The Assistant Director of Commissioning confirmed that Committee Approval has been sought retrospectively, and as a result of the Internal Audit review, the Director of Commissioning has agreed to ask members of the Procurement team to provide training on Contract Procedure Rules for his team.

The second issue identified was that for four out of five procurements posted in the OJEU, the invitation to tender documents were published on the Council's tender advertising portal 5 or more days later than in OJEU. While this is a relatively minor issue, as the majority of the procurements are open for tender for 30– 40 days, this delay in posting on the Council's tender advertising portal may pose a restriction on the timescales for any suppliers relying on the Council's tender portal rather than OJEU. As a result, the Deputy Head of Procurement has agreed to investigate the gap further and also brief the Procurement team to ensure they improve on this.

A.2 Debt Recovery

An audit was undertaken to provide assurance that the Debt Recovery system was operating effectively and recovering debt in a timely manner. Internal Audit undertook an analytical review of debt recovery in planning the audit. This identified the potential to recover a significant proportion of overall debt from a small number of individual key debtors, and the audit therefore focused testing on the highest debtor balances, rather than a particular service area or type of customer.

As a result of the fieldwork undertaken, good assurance was given over compliance with existing controls for debt recovery, but satisfactory assurance was given over the adequacy of controls in the debt recovery system. This was chiefly due to some controls being absent from debt recovery procedures, including a lack of recovery and prevention strategies for identifying and addressing the highest ongoing debt balances. Sample testing identified that debt recovery activity was not always undertaken in a timely manner in relation to some debtors with high debt balances, and there was no control in place to identify when debtor accounts had not been subject debt recovery action for a significant period of time.

Other issues identified included the need to improve processes for the early identification of unrecoverable debt, and to improve debt analysis work in order to give a more accurate understanding of the effectiveness of recovery activity and to support the development of recovery and prevention strategies.

A number of actions were agreed to improve controls, including developing strategies to address the highest debt balances, to identify where debt recovery action has not been undertaken in a timely manner. The LGSS Head of Debt and Income is working to address these, by amending debt recovery procedures. The service is also developing reports in ERP Gold, to identify where debt recovery action has not been undertaken in a timely manner, and to support improved debt analysis.

B. PEOPLE & COMMUNITIES DIRECTORATE

B.1 Direct Payments Compliance

Direct Payments are made to service users who have been assessed as being eligible for care and support, to enable them to arrange and manage their own services. Internal Audit conduct annual audits of compliance with Direct Payment

controls, and the latest report from March 2018 gave an overall assurance of satisfactory with regards compliance.

This assurance level is comparable with the previous audit conducted in April 2017, although there have been improvements from the previous year. This included some improvements in the number of signed and fully costed Care and Support Plans, and the number of signed Direct Payment Agreements. Overall there remains a need to improve compliance further in these areas, and agreed actions included for Direct Payments Monitoring Officers to take a role in flagging Care and Support Plans which lack sufficient costing information, and for all users to be made aware of the updated terms of Direct Payment Agreements via their annual monitoring letter.

The audit also identified areas for improvement in the monitoring of service users' usage of Direct Payments. Currently, Direct Payments Support Service (DPSS) organisations are tasked with monitoring the expenditure of service users who purchase their support services (such as payroll and managed accounts). At present, the council places reliance on these services carrying out this monitoring and Cambridgeshire's Direct Payment Monitoring Officers only conduct minimal checks on these service users to ascertain whether there is an annual surplus on each account. Internal Audit were not able to ascertain what specific monitoring checks were being carried out by the DPSS organisations; there is a risk that if such checks are not carried out to the standard expected by the Council, direct payments to service users who are managed by the Direct Payments Support Services may be at greater risk of misuse. An agreed action was therefore that the Council must seek formal clarification around the monitoring and management of accounts by Direct Payment Support Services.

B.2 Deprivations of Liberty – Children and Young People Under 18

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. Under the age of 18, parental consent may be sufficient to authorise a deprivation of liberty, but where children are under 18 and subject to an interim or full care order, deprivation of their liberty requires court authorisation. If a young person aged 16 or 17 objects to a deprivation of liberty, this may also require court authorisation even if parental consent has been obtained.

An audit was undertaken to provide assurance that the use of deprivations of liberty for children and young people under the age of 18 is proportionate, and that such deprivations have followed the correct legal process and are subject to regular

review. The audit gave good assurance over the adequacy of systems in place regarding such deprivations of liberty, and it was found that overall the Council was monitoring deprivations of liberty in children well. The team prioritise cases clearly and guidance was reviewed and updated recently. It was agreed that the revised guidance will be updated further to include additional information on reapplying for authorisation, and the monitoring of children who have capacity to consent to their care but choose not to do so.

Satisfactory assurance was awarded over compliance with the framework, due to some weaknesses identified. There is a backlog of cases at the highest priority level where no application for authorisation of the deprivation of liberty has been made. This is due to a legal judgement in January 2016, which meant that significant numbers of children were suddenly subject to Deprivation of Liberty safeguards overnight. There were also delays once applications were passed to Legal Services, due to staff turnover. During the course of the audit, a monthly meeting was introduced between the Operational Heads of Service, the Principal Social Worker and Legal Services to ensure that the cases of children most at risk are taken to court first. It was agreed that the result of this process will be monitored to ensure reduction in back log of cases.

Areas for improvement were also identified in the 'Countywide Tracker' document which aims to ensure oversight of all actual and possible cases of children and young people deprived of their liberty. One out of five cases from a list of Looked After Children in residential settings was not listed on the countywide tracker, even though the child had the potential to be deprived of liberty. If marginal cases are not monitored and circumstances change, DOL cases may be missed. As a result it has been agreed that the service will introduce guidelines to detail the types of cases that should be listed on the spreadsheet. During the course of the audit, the Tracker was also updated to include dates of assessments and application stages reached, to enable closer monitoring of case progression. A new process for monthly review of the cases was introduced and has been communicated to the managers with a guidance document, during the course of the audit.

5. OTHER AUDIT ACTIVITY

5.1 UPDATES TO THE INTERNAL AUDIT PLAN 2018/19

The Executive Director of Place & Economy has asked Internal Audit to assist in a contractual dispute with Skanska, and to be represented on the Skanska Contract Commissioning Board for the foreseeable future. Internal Audit has also been requested to review the governance arrangements of this contract prior to conducting an open book review. This has necessitated additional time to be allocated to the Highways Contract Management assignment.

Internal Audit are also required to provide certification over the use of Disabled Facilities Grant in 2017/18, a piece of work which Audit were not made aware of at the time of developing the 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:

- Remove Public Health Joint Commissioning Unit review.

Audit and Accounts Committee are asked to consider what other jobs can be removed to accommodate the additional work.

APPENDIX A

CCC INTERNAL AUDIT PLAN 2018/19

Audit Title	Status	Quarter Opened	Quarter Closed
Cross-Cutting and Council Wide Audit			
Agency Staff Compliance	Not Started		
EU Procurement Regulations	Not Started		
Procurement Compliance	Open	1	
Unannounced Visits	Open	1	
Impact of Price & Quality Evaluation	Not Started		
Development of Project Assurance Framework	Not Started		
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	1	
Management of Consultants and Interims	Open	1	
Business Continuity for Key Contracts	Not Started		
Business Continuity	Not Started		
Business Planning	Not Started		
Capital Project Variations and Overspends	Open	1	
Key Performance Indicators	Open	1	
Corporate Key Performance Indicator Framework	Not Started		
Transformation Programme	Not Started		
Transformation Project Audit (1)	Not Started		
Transformation Project Audit (2)	Not Started		
Transformation Project Audit (3)	Not Started		
Transformation Project Audit (4)	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	Open	1	
Procurement Governance	Not Started		
Annual Whistleblowing Policy Report and Awareness	Not Started		
People & Communities Directorate			
Contract Management of Residential and Nursing Care Providers	Open	1	
Direct Payments Compliance	Not Started		
P&C Contract Management	Not Started		
Troubled Families Grant 18-19	Ongoing	All year	N/A
Schools Payroll & Safe Recruitment 18-19	Not Started		
Capgemini Report Response	Not Started		
Personal Budgets	Open	1	
Fostering Service	Open	1	
Neighbourhood Cares Project	Not Started		
Special Educational Needs Placements	Not Started		
Annual Safeguarding Assurance	Not Started		
Economy, Transport & Environment Directorate			
Transport Contract Management	Not Started		
Section 106 Funding	Not Started		
Highways Contract Open Book Review 18-19	Open	1	
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	Draft	1	
Bus Services Operators Grant	Draft	1	
Pothole Action Fund	Open	1	
Cycle City Phase II Grant	Draft	1	
National Productivity Fund	Draft	1	
Safer Roads Funding	Open	1	
Procurement Transport Project	Open	1	
P&E Partnership Services Cost Recovery	Open	1	
SWIM Project	Open	1	
Public Health and Corporate & Customer Services Directorates			

Public Health Contract Management	Open		
Public Health Joint Commissioning Unit	Not Started		
Broadband Grant	Closed	1	1
Public Health Grant	Closed	1	1
Key Financial Systems			
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		
Risk Management Audit	Not Started		
CCC Debt Recovery	Not Started		
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 Security	Not Started		
Response to Information Security Incidents	Open	1	
Controls Review of Critical Systems	Not Started		
ICT Disaster Recovery	Not Started		
Anti-Fraud and Corruption			
Fraud Investigations 17-18	Ongoing	All year	N/A
Community Transport Investigation	Open	1	
Declarations of Interest Investigation	Open	1	
Mileage & Expenses Investigation	Closed	1	1
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
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APPENDIX B

Summary of Outstanding Recommendations

(Recommendations as at the end May 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	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. This action has yet to be implemented and was raised again as part of the Internal Audit final report into Debt Recovery, issued in June 2018.
	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 - the June 2018 Debt Recovery audit established that the Collection Strategy is currently being amended with debt prevention strategies including those mentioned in the recommendation currently being considered.

	M	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: <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 recent debt recovery established that progress is being made to encourage social care clients to sign up to direct debit.</p> <p>A revised target date of 31 October 2018 was provided.</p>
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	<p>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 implemented and is currently with Cambridgeshire IT to resolve/determine the required format and implementation actions required. Also see above.</p> <p>A revised target date of 31 October 2018 was provided.</p>
	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 	30/09/17	<p>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</p>

		<ul style="list-style-type: none"> Financial Assessments Team members Debt Team members <p>If officers are not aware of relevant deferred payment agreements processes there is a risk that opportunities to secure debt recovery will be missed.</p>		<p>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 30th September.</p> <p>Revised target date: 30th September 2018</p>
Payment Methods	M	<p>Services should apply to be transformed</p> <p>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.</p> <p>Without this prioritisation there is the risk that services may use less cost-effective methods of payment, at higher cost to the Council.</p>	30/11/16	<p>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.</p> <p>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.</p>
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 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.</p>	31/12/17	<p>This was dependent on the creation of the new Project Management Framework, which was completed in April 2018. Training could only be developed once this was completed. The revised target date for completion of this action was therefore July 2018.</p> <p>Revised target date: July 2018</p>

Information Security Culture	M	<p>Information Security Incidents</p> <p>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. Planning for this audit is now underway, which will identify whether this action has been implemented.</p>
Capital Programme Project Management	M	<p>Scheme appraisal</p> <p>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 been re-launched yet. This has partly been due to a combination of pressures of meeting accounts/external audit deadlines and the implementation of ERP Gold. Business Planning dates have been pushed back due to SMT requesting a review of the whole programme, so the relaunch of the new template is now planned for mid-August.</p> <p>Revised target date: 15th August 2018</p>
	M	<p>Maintaining complete, up to date project documentation</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</p>	31/03/18	<p>When the Business Planning programme is relaunched this will be set out. 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</p>

		<p>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>		<p>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.</p> <p>Revised target date: 15th August 2018</p>
3rd Party Assurance	M	<p>Contracts do not have third party assurance requirements</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>No update has been received from the service regarding this action. This will continue to be chased and if no response is obtained, the relevant key officer(s) will be invited to attend the next Audit & Accounts Committee to provide an update.</p>
Direct Payments Compliance	M	<p>Monitoring done by Direct Payment Support Services</p> <p>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.</p> <p>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.</p> <p>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</p>	30/04/18	<p>Update received 4th July 2018. The service has confirmed that DPMO's may be transferred to the Countywide Finance Team, and consultation has just opened on this proposal. Consequently, line management will change which may affect the tasks undertaken. If this is the case, we may have to look at an alternative audit plan.</p> <p>Internal Audit are scoping a review which will consider the role of Direct Payment Support Services and the progress that has been made with this action.</p>

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Summary of Outstanding Recommendations – Dependant on ERP Gold

(Recommendations as at the end May 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. This action has yet to be implemented and was raised again as part of the Internal Audit final report into Debt Recovery, issued in June 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 was deferred until after ERP Gold was implemented due to the required

				resources being deployed on the programme.
	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	This action has yet to be implemented and was raised again as part of the Internal Audit final report into Debt Recovery, issued in June 2018.
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	<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>The team is still working on finalising the Leavers process, as the functionality for this was not tested during the ERP testing phases, and still have work to do to incorporate IT asset recording in this process. This requires changes to the fields in ERP Gold which will record the asset information; this needs to be built and tested.</p> <p>Revised target date: end October 2018</p>
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. 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

				<p>requirements in light of ERP Gold functioning, which will allow the procurement to go ahead.</p> <p>Revised target date: end September 2018.</p>
Safe Recruitment Compliance	M	<p>Flag Overdue DBS Information:</p> <p>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.</p>	31/12/17	<p>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. HR have requested whether this could be completed by the end of July 2018, however there is no guarantee this revised timescale will be possible.</p> <p>Revised target date: end July 2018.</p>