

AGENDA ITEM:

AUDIT AND ACCOUNTS COMMITTEE: MINUTES

Date: Thursday 28th January 2020

Time: 2.00 pm – 4.25 pm

Place: Kris Viersen Room, Shire Hall, Cambridge

Committee Members Present:

Councillors: S Crawford, J French (substituting for D Wells), P Hudson, T Rogers (Vice Chairman), M Shellens, (Chairman) and J Williams

Apologies: Councillors M McGuire and D Wells

Officers Present:

Tom Barden – Head of Business
Intelligence (Minute 244)

Robin Bates LGSS Head of Revenue and
Benefits (Minute 242)

Debra Collins Service Delivery Manager
LGSS Revenue and Benefits (Minute 242)

Neil Hunter Head of Internal Audit (Minute
246)

Chris Malyon Chief Finance Officer
(Minutes 239,240,242 and 243)

Fiona McMillan Joint Director of Law and
Governance

Michelle Parker Group Accountant
Closedown Team (Minute 245)

Rob Sanderson - Democratic Services
Officer

Stewart Thomas Head of Emergency
Planning (Minute 243)

Ellie Tod Group Accountant Corporate
Finance (Minute 245 and 247)

Duncan Wilkinson - Chief Internal Auditor

238. APOLOGIES FOR ABSENCE DECLARATIONS OF INTEREST

Apologies were received from Councillors McGuire and Wells.

239. MINUTES OF THE AUDIT AND ACCOUNTS COMMITTEE DATED 28th NOVEMBER 2019

Democratic Services drew attention to the following required amendment:

Page 7 Minute 226 Minute action log bullet three Community Transport Future Audit Responsibilities the reference to an appendix should have read as appendix 3 and not 2.

In addition, as Appendix 3 had not been included in the agenda pack a copy had been added to the website with copies tabled at the meeting.

Subject to the above change, It was resolved:

That the minutes of the meeting held on 28th November 2019 were agreed as a correct record and signed by the Chairman.

The Chairman requested an updates on the following from the minutes:

- Page 7 of the agenda - Special October Committee minutes referenced as Page 24 –the new finance post. It was reported that a formal offer had been made and the post-holder was due to start on the 23rd March.

On the 28th November Committee Minutes

- Page 17 Minute 235 Internal Audit Progress Report Section 2 - fraud and corruption update – request for more details on the two frauds. In reply the position was still the same as reported to the November meeting, namely that the investigations were still active and therefore it was inappropriate to ask for or provide details in a public meeting.
- Page 17 Minute 235 Internal Audit Progress Report Section 4 – Cost Recovery in Place and Economy – reference to the Chairman not having been billed for Highways works - The Chairman highlighted that having stated this two months ago and been assured by a finance officer that it was only a temporary issue, he had at the date of the current meeting still not received an invoice. This, if it was a typical example, gave him little faith in the Place and Economy cost recovery process procedures. The Chief Finance officer undertook to personally look into the issue. **Action: Chris Malyon**

240. MINUTE ACTION LOG

The Minutes action log was noted with the following updates:

- **Minute 231 Registration of land purchased for highways purposes** - on the action for Councillor French to be sent the separate confidential appendix for sites in the Fenland area, she indicated she had still not received them. In reply the Democratic Services officer stated he had been copied into the e-mail sent to her and would therefore either send them again electronically or provide hard copies in her pigeon hole. She acknowledged that she had been having trouble with her e-mail system. **Action: Democratic Services Rob Sanderson**
- **Page 26 on the agenda Minute 225 - special meeting of the Audit and Accounts Committee - referencing B) Page 22 – additional e-mail from Mr Andrew Rowson on External Audit payments.** As set out in the response in the log, the missing data on the Council website on payments to the previous auditors had been an error / accidental omission and had now been resolved. An e-mail had been sent to Mr Rowson on 23rd January thanking him for highlighting the omission and informing him that the Council website had been appropriately updated.

Therefore this specific action was completed and could be removed from the Action Log.

- **Page 26 on the Agenda Minute 225 - special meeting of the Audit and Accounts Committee - referencing Page 27 - Guided Busway request for a further progress update.** – The Minute Action Log indicated that an oral update would be provided. This stated that there was no further progress to be reported at the current time.
- **Page 26 Item 20 Minute 229 Safer Recruitment in Schools Update -** The Chairman drew attention to a recent incident that had made the national headlines regarding a pupil at a school who had died as a result of suffering an extreme allergic reaction to having cheese thrown at him. He asked that Chris Meddle the Council's Senior Leadership Advisor be contacted regarding ensuring the appropriate checks on EPI allergy pens being available in Cambridgeshire schools were being undertaken. **Action: Rob Sanderson pass on request to Chris Meddle.**
- **Page 27 Minute 233 Performance Report – a) report format –** The Chairman had not as yet had the meeting to discuss suggestions for changes and would arrange a meeting with the Head of Business Intelligence following the meeting. **Action: Councillor Shellens / Tom Barden**
- **Page 28 - Minute 233 Performance Report b) Indicator reading the number of children in care –** regarding the volunteered action that Councillor Crawford would provide details to the Head of Business Intelligence of a study suggesting a link to closures of children's and family centres this had been provided the previous day. The officer would need time to look at the study before replying to Councillor Crawford with regard to her original query on whether there was a perceived link in Cambridgeshire **Action: Tom Barden**
- **Page 30 – Item 6 Minute 235 - Internal Audit Progress Report on the query from the Chairman on whether the advice regarding the risk of bank mandate fraud had been passed on to both maintained and academy schools in the County** the response provided in the log from Internal Audit was that the request had been passed on to the Schools Intervention Service. As this response did not answer the original question raised, the Chairman asked the Head of Internal Audit to provide further information regarding the officer who had been contacted so he could make his own enquiries. **Action Neil Hunter.**

241. PETITIONS AND PUBLIC QUESTIONS

None received for either by the County Council Constitution deadlines.

242. DEBT MANAGEMENT UPDATE REPORT

As previous reports had shown that the levels of aged debt in Cambridgeshire had been increasing, the Committee had requested further six monthly update reports. The current report provided an update on the actions being taken. It had been predicted in the June 2019 report that with stable resourcing of the team (which had now been achieved as the team had a full complement of staff) together with the improvement plan the service would deliver an expected reduction in overall outstanding debt.

Improvements highlighted and from questions raised by members in discussion included:

- A new reporting pack has been implemented, providing better visibility of balances across the Council by comparing and tracking collection rates as well as showing where overdue balances were in terms of resolution. A review had been undertaken on how debt cases were placed with LGSS Law with the team undertaking pre-assessment checks.
- The month end reporting pack now reflected the Directorates that were reported directly out of the ERP system and also separated out Cambridgeshire and Peterborough NHS Clinical Commissioning Group (CCG) debt as this debt was high value and was classed as a delayed payment managed directly by Cambridgeshire County Council (CCC) Finance team. Paragraph 2.5 listed more detail of the activity and progress made over recent months to pursue overdue balances and debts
- Customer contact were now being managed directly into the Debt Team rather than fielded through the helpdesk.
- The Collection Agents Bristow & Sutor were now supporting debt management in CCC based on 0% commission. Initial collection and contact rates had been positive with just under £75k recovered between October and December and this was expected to increase.
- The data cleanse and case review had continued and had escalated debts to collection agents, to regulated legal providers or been recommended for write off when it was deemed uneconomic to pursue them, or the customer was deceased or that all methods of recovery available to the service had been exhausted. Aged debts totalling £72,678 had been written off and further invoices totalling just under £144,000 were due for write-off in January 2020.
- In terms of collection rates benchmarking against the Chartered Institute of Public Finance and Accountancy (CIPFA) benchmark standard of the % of invoices raised and debt collected within 90 days during the financial year the Council performance by value was 95% against the benchmark of 87% and 84% for volume against the benchmark of 87%. In terms of the overall % of invoices raised and cleared over the life of the debt for the period April

2019 to November 2019 as set out in a table in paragraph 3.1 of the report the results demonstrated that the majority of invoices raised during the year were being collected with the % collected increasing the further an invoice moved through the initial recovery cycle. A high level comparison of the overall CCC debt movement through Quarters Q) 2 and 3 indicated an £1.31m improvement in the overall debt position.

- Whilst aged debt was continually being cleared, there were always new invoices being raised so there would always be a rolling level of debt reported as outstanding. At the end of Q3 two invoices totalling £8.8m due for payment by Cambridgeshire & Peterborough NHS CCG on 14 December 2019 had become overdue thereby increasing 1-30 days from the amount reported at the end of Q2. However this debt had been cleared shortly after the end of the reporting period and therefore the outstanding balance showed a significant reduction shortly after.
- To further illustrate the nature of balances, of the £35.53m total debt that was outstanding at 1 March 2019, only £10.84m remained unpaid at 1 October 2019 and by 31 December that had further reduced to £9.58m, a reduction in debt of £25.95m over the period.
- The table at 3.2.1 of the report showed an overall debt figure of £26.84m as at 31 December 2019. Within this figure £14.01m was due from Cambridge and Peterborough NHS CCG and £0.5m from LGSS Law and those were being managed by the CCC Finance team. The overall debt under the management of the debt team was £12.3m and since the report had been prepared had fallen to £10m. This was split between £7.8m for Adult Social Care (ASC) (at the time of the meeting this had fallen to approximately £5.5m) and £4.5m for Sundry. Of this, the total debt which might become an issue with regard to collection was split £5.94m for ASC and £ 1.43m for sundry. Due to the client base involved ASC was the more difficult to collect.

In discussion other specific issues raised / responded to included:

- Explaining that a debt was recorded as overdue at the point that it passed its due date for payment. The debt was then classified as aged debt based on how many days past its due date it had become.
- Clarified that the figure of £86.88m shown in the table at the top of page 35 titled Recovery Letters Issue between 1st April and 1st December was the value of the reminder notices not what was owed.
- On non-collectability this was monitored and assessed each year. This in general and over the life of a balance was in the region ½% on sundry and 2% on adult social care balances (non- collectable) which showed that the vast majority was still being collected as detailed on page 38 of the report.
- The overall balance outstanding which included those not yet due was more in the region of £35-40m at any one time and reflected the rolling values as the Council never had a zero value and if the balances were ignored over 6 months the collection of income and debt was high £26m in the case of the period provided in the report. The aim was to

have less becoming bad debt. The Chief Finance Officer for perspective purposes reminded Members that the size of the Council business was in the region of £1billion a year.

- The Chairman highlighted that a report to the 24th January 2019 meeting showed debt figures for Adult Social Care as £2.9m and Sundry debt at £1.6m. In response it was highlighted that the high level comparison of the overall CCC debt position at 1st March 2019 and 1st January 2020 showed an £1.3m improvement in the overall debt position while previously the figures had been increasing each month. The Team's emphasis had been to concentrate on new debt with a lot of old debt having been written off. (£1/4 million with a further £150k due to be written off) The intention was that less would become aged debt.
- There was a discussion regarding the CCG owing over £14m. This was seen as less of an issue as the money would eventually be paid with it highlighted that they were currently projecting a £220m overspend. Delays were also the result of the complexities around identifying which parts of invoices were health care and which were adult social care. Currently the CCG challenged every invoice and allocation of costs.
- Related to this one Member suggested that he wished to see more details of the above invoice process to the CCG to be able to ascertain whether it was efficient and whether improvements could be made. In reply it was explained that it was more of a past issue as the County Council used to pay the full debt and then reclaimed it from the health sector. CCC Finance team were now billing the CCG directly. New bills to the CCG were always being raised and would peak in a quarter. An example was the reference in paragraph 3.2.1 where at the end of Quarter 3 two new invoices totalling £8.8m due for payment from the CCG had become overdue. Thereby increasing 1-30 days from the amount reported at the end of quarter 2. On these, £8.6m was paid later in the month but would still show as a late payment.

At the conclusion of the debate the Vice Chairman thanked the debt team for their work over the last few months.

It was resolved to:

- a) To note the actions and approach being taken to manage income collection and debt recovery
- b) Agree that a further update will be provided on 2019/20 position (Q4 outturn) to the 2nd June 2020 Committee meeting.
- c) To confirm future reporting requirements.

243. BREXIT PREPARATION UPDATE

This report provided an update on the preparations undertaken since the last report on 28 March 2019, and the subsequent monthly updates, the last one being circulated by email to the Committee in November 2019.

The Brexit Officer Taskforce had continued to review information from Government, and through its professional networks, to ensure the Council was focusing on the key issues / statutory responsibilities.

It was highlighted that on 24th December 2019 both Councils had received a letter from the Ministry for Housing, Communities and Local Government (MHCLG) confirming that 'No Deal' preparations were being stood down at a national level and that MHCLG did not require any further reporting from Local Resilience Forums on 'No Deal' preparations. The letter confirmed that the focus was now on the delivery aspects of the current Deal, the future relationship negotiations and preparing for the end of the implementation period. The work being undertaken was in line with the advice provided. Paragraph 2.4 to 2.8 listed the primary themes being progressed.

Issues raised in discussion / responses provided included:

- The Chief Finance Officer was able to confirm the Authority's costs were net positive as most of the costs incurred had been opportunity costs.
- In discussion on communications regarding providing information on the Settlement Scheme, the emphasis was now on targeting hard to reach groups through contacts in the community, seen as being a more effective tool rather than through general media communications approaches. **The Chairman asked to be provided with an estimate of the number of people this might represent. Action: Stewart Thomas Head of Emergency Planning.**
- Whether there were any identified anxieties regarding the supply of local labour. Officers were working with suppliers, but currently it was too early to predict until the details of the Settlement became known.
- What joint work was being undertaken by the Taskforce with district councils? While the Task Group did not have collective meetings with district councils, Adrian Chapman the original BREXIT co-ordination officer was in dialogue with them as part of his overarching communities partnership role. Joint work was also undertaken with various local councils through activities co-ordinated with the Local Government Association.
- As the Emergency Planning Officer was presenting the report on behalf of the Director of Customer and Digital Services, the Chairman took the opportunity to request an update on the Council's current response to the Wuhan novel coronavirus. It was reported that the Director of Public Health was in close contact with Public Health England and the Chairman of the Health Committee read out extracts from a statement provided to the Council's Joint Management Team, Local Resilience Forum partners through a web-based 'Resilience Direct' page. This explained that the main role of Public Health was "to make sure that the national Public Health England information is shared in a timely way. In reality there have been no confirmed cases yet in the UK and it's not yet clear what the UK impact will be".

It was resolved:

To note the report.

244. PERFORMANCE REPORT QUARTER 2

This report provided an update on the Council's performance Indicators to the end of September summarising the performance measures monitored by service committees and highlighting those indicators that were 'Red' (current performance is 10% or more from target) or 'blue' (current performance is better than target by 5% or more). This was the second time that the new report template format had been used with Service Committees, with the following changes in format in response to feedback:

- 'Blue' replaced 'Very Green' in order to ensure consistency with other colour schemes used to summarise performance
- Text font and size had been increased and standardised
- The presentation of the 'direction for improvement' and 'change in performance' has been changed to improve clarity.

Feedback comments received from the previous Audit and Accounts Committee were too late to be included in the current report but would be included in the next round (Q3 performance, to the end of December).

Issues raised in discussion included:

- Page 51 (Page 3 of 37 of the original report) Indicator 20 2C(2) titled 'Average Monthly number of bed day delays (social care attributable) PER 10,000 18+population' The Chairman drew attention to the spike from August and the reasons provided in the narrative. He requested further details of why the performance had significantly decreased in the 2019 spring period. **Action: Tom Barden to check the information and our performance with statistical neighbours during this period.**
- Page 53 (Page 5 of 37 of the original report) Indicator 105 titled 'Percentage of adult safeguarding enquiries where outcomes were at least partially achieved' – The Chairman was not happy with this as a measure. It was explained that this was a nationally defined indicator for adult social care.
- Page 65 (Page 17 of 37 of the original report) Indicator 34 titled 'The average journey time per mile during the morning peak on the most congested route' - a member queried the usefulness of an indicator that was two years old referencing a target for 2017-18 to reduce it to 4 minutes per mile. It was explained that this related to a previous software package capability and that the new software now being used would provide more timely information. **There was a request that the Committee should be provided with an update on this indicator outside of the meeting. Action: Tom Barden Head of Business Intelligence.**

- Page 79 (Page 31 of 37 of the original report) Indicator 164 titled 'Annual Forecast of the amount of commercial property income as a percentage of the original investment' - a question was raised on whether the information showed the return on capital as either net or gross. On the main bar chart the one on the left excluded finance costs while the one on the right included finance costs. The return of investment forecast for 2019-20 was 5.14% (excluding finance costs). The projected return was expected to be 6% by 2024-25 but was still work in progress.
- The Vice Chairman while noting the amount of information provided, took the view that what would be more useful were details of what had changed and why. He was more interested in those indicators that were Red and Amber and suggested the report should concentrate on the bad. This view was not supported by the Chairman and was not the approach that had been agreed by General Purposes Committee the main client for the report.

It was resolved:

To note the report.

CHANGE IN THE ORDER OF THE AGENDA

With the agreement of the Committee, the Chairman changed the order of the agenda with Item 9 'Statement of Accounts Action / Improvement Plan' taken as the next item of business,

245. STATEMENT OF ACCOUNTS - ACTION / IMPROVEMENT PLAN

This report reviewed both the lessons that had been learnt from the production of the 2018-19 Statement of Accounts for the Council and to provide an update on the progress made in planning for the 2019/20 Closedown of Accounts and production of the Statement of Accounts.

At the time the report had been written, the Accounts for 2018-19 had still not been signed off but still with an expectation that it would happen imminently. The two significant contributing factors to the delay were highlighted as:

- The change in the Enterprise Resource System on 1st Apr 2018 (from Oracle to ERP Gold) and the complexity in migrating data from the Fixed Asset Register
- A change in external audit firm.

Both were seen as one off events. Ernst and Young (EY) the external auditor having now audited the 2018-19 Accounts were now familiarised with the Council's processes going forward and had received the assurances required in the first year of auditing a new client. Paragraph 2.3 of the report detailed the specific audit issues that had arisen. It was highlighted that in the first bullet under 2.3.1 the text reading "Property, Plant and Equipment (posting of revelation movements ...)" should have read revaluation movements). One

Member queried whether issues identified regarding property included the non-functioning of the K2 system. In reply positive steps were being taken to procure a replacement system with a bid included in the capital programme. The focus going forward would be on the new system.

The Council continued to expect an unqualified audit opinion, with no differences of view with the External Auditor on accounting treatments. The corrections identified by the External Auditor were largely administrative or about classification. Mark Hodgson the EY External Audit lead indicated that at the 31st October he had been ready to sign them off but had been awaiting a full set of Accounts. The recent delay had been the result of reconciliation differences in producing a final set of accounts from ERP Gold.

Section 3 of the report provided details of the staff restructuring undertaken following the decision of the LGSS Joint Committee in October to proceed with a Lead Authority model for LGSS, resulting in the Integrated Finance Service, including the Closedown Team for all three Councils, returning to the individual Councils' control. This included both recruiting an additional accountant and identifying additional temporary staffing resources to support the improved closedown function going forward.

Regarding EY's resourcing position, Mark Hodgson clarified that EY were fully resourced going forward for the audit of the 2019-20 accounts.

Section 4 of the report detailed the preparations for 2019-20, while also highlighting that to date, the Council had mainly been focused on completing the process for the 2018-19 accounts which had inevitably led to delays in being able to commence work on the 2019-20 accounts. In order to support this work, the Corporate Finance team had compiled an Improvements Schedule, as detailed in section 4.3 of the report. Due to the continuing work required on completion of the 2018-19 accounts, it was acknowledged that not all of the proposed improvements would be possible for the 2019-20 accounts, and therefore the Improvement Plan needed to be viewed as a two-year process.

Section 4.5.1 to 4.5.3 provided details on the asset valuation programme going forward with the Council appointing Bruton Knowles LLP, For 2019-20 on a two year contract to undertake the Council's asset valuations. The number had increased as all Depreciated Replacement Cost valued assets were now to be valued on a desktop basis with the valuations of school assets also changing to a Modern Equivalent Asset basis to bring them more closely in line with professional institute guidance. In the long run, this was likely to reduce the amount of time to value school assets, but might require additional work for the 2019-20 Accounts. The Chairman queried whether the target for all valuations to be completed by Mid-March was realistic. At the current time there was no reason to believe it would not be achieved, but this was reliant on other teams providing the necessary information.

As an update to the text reading ".....that due to the continued focus on the final stages of the 2018-19 accounts no date had been set for an interim audit

for 2019-20 by EY” Mark Hodgson clarified that EY would not carry out an interim audit for 2019-20, only system process walkthroughs, and would focus efforts on the final audit. He highlighted that the 31st July was not a statutory external audit deadline for producing their ISA 260 Report and therefore EY would need to agree a timeframe with Finance Officers. This would not be before 31st July and was more likely to be by Mid-September with no reports able to be provided until meetings scheduled from early to late October if applicable. Further to this, Finance Officers would liaise with Democratic Services regarding whether there required to be date changes to meetings e.g. currently the agreed July 2020 meeting date was for the final Accounts sign off. **Action: Michelle Parker / Rob Sanderson**

With regard to EY’s plans going forward on closedown, all local authorities finance officers were invited to a briefing held on 10th January. It was also clarified that a further Member briefing had been arranged for Wednesday 26th February at the EY Offices at the Cambridge Business Park Milton Road, Cambridge and was open to any member of the Committee to attend.

It was highlighted that Nationally, 2019 had seen a large increase in the number of Councils unable to meet the expected timescales. In addition, Public Sector Audit Appointments Ltd was no longer publishing authority-by-authority timescale compliance reports, a recognition of the difficulties local authorities were facing. Further to this, details were provided of the Council’s response to the current Government Redmond Review of local authority financial reporting and external audit. The response included calling for a further urgent review of the current, unrealistic statutory timescales. The report indicated that the final Redmond Review report had a timetable for reporting of March 2020. Officers were not able to confirm whether this date was still realistic.

Regarding the objections to the 2016-17 and 2017-18 the accounts and the resultant delay to the value for money opinion on the 2017-18 accounts these had still not been concluded as they were still awaiting BDO’s (the Council’s previous external auditor) final report. The Chairman had previously written to BDO on 28th November 2019, requesting an update on progress (included as Appendix C to the report). BDO acknowledged receipt of the letter on 19th December 2019, stating that they would provide a formal response which was still awaited at the time of the meeting. EY consideration of the 2018-19 objection and the Value for Money opinion could only follow the conclusion of BDO’s work.

It was resolved:

To note the report.

246. INTERNAL AUDIT PROGRESS REPORT

The Committee received a report outlining the main areas of audit coverage for the period to 30th November 2019 and the key control issues arising since

the last update provided to the Audit & Accounts Committee on 28th November.

As previously reported, the complex, and interlinked piece of work being undertaken by the Council's Internal Audit Service concerning Manor Farm and the Farms Estate was still in progress. While no specific date could yet be given when the report would be ready, when it was, the audit would be reported to the next available committee for discussion in public.

Section 1 - listed Finalised Assignments and information on draft reports.

Section 2 - provided a fraud and corruption update.

Table 4 set out the Whistleblowing Caseload. It was highlighted that there had been a higher level of whistleblowing referrals which was seen as a positive reflection on the increased publicity given to the procedure. One Member asked for an update on the Information Security case. As this was still an ongoing case, this could not be provided in a public meeting.

Section 3 – set out an update on the implementation of management actions. This showed a continued level of improvement in terms of actions completed with Internal Audit continuing to follow up on actions outstanding. There were currently 15 management actions outstanding with further details provided in Annex B of the report. A correction was provided on Pages 104-105 'Accounts Receivable 18/19' - the revised target date should have been 28th February 2020 not 2010. The reference to allocating to a fortuitous income code meant allocating them to a Miscellaneous code.

Section 4 – provided a summary of the completed audit with satisfactory or less assurance regarding:

Resources Directorate

- Fire Safety Checks
- Rental Income

Customer and Digital Services Directorate

- Business Continuity

Section 5 (and Annex A) provided details of updates to the 2019-20 Internal Audit Plan, the development of the 2020-21 Plan and proposals for resourcing of Internal Audit for which a paper had been sent to the Chief Executive and Deputy Chief Executive for consultation on the available options. The Chairman noted that those being consulted on the 2020-21 Plan did not include Members. It was explained that while the draft went to managers for their input, Committee Members were able to query / suggest any changes when it was reported quarterly to the Committee.

- a) **Internal Audit Plan pages 99-101** -The Chairman requested for future reports the status column indicating if an Audit was not opened, open or closed should not use different colour shading as they did not

reproduce well in black and white printed versions of the agenda. He suggested that officers consider different hatchings e.g. dots for one, diagonal lines for another. In reply the officer suggested that the simplest way would be to just remove the colours completely. **Action: Neil Hunter Head of Internal Audit**

In discussion other issues raised included:

Summaries of completed audits with satisfactory or less assurance

- b) **4.1.1- Fire Safety checks** Request that an updated position be given in the next Internal Audit report for the March meeting in terms of Fire Risk Assessments (FRA's) coverage in all Council buildings. The Chairman requested that Internal Audit liaise with Phil Hill the Facilities officer as if the recommendations target date had been implemented, this should have occurred in December. **Action: Neil Hunter Head of Internal Audit**
- c) On the same report, last paragraph, making reference to Internal Audit identifying that "a property which had been authorised for closure and deemed only suitable for storage was still being used extensively by employees for meetings" the Chairman queried the justification of why it was deemed suitable for storage if it was a fire risk? **Action: Neil Hunter Head of Internal Audit**
- d) **4.1.2 Rental Income –** This had been a previous concern in relation to the Council's incomplete Property Assets Register. One of the solutions to the issues of managing and monitoring rental income was to be a new Data Property Asset System, currently the subject of a procurement exercise.
- e) On the same subject it was highlighted that regarding uncollected rental income, LGSS Law were one of those identified as not having paid all the rental owing for their occupation in Scott House. It was agreed that LGSS Law should be invited to the next meeting to explain the reasons. **Action: Internal Audit to request LGSS Law attend the March Meeting.**
- f) **4.2.1 Business Continuity** with reference to the last sentence of the second paragraph reading: 'The review also identified a lack of senior management oversight of business continuity planning, information not available to all staff on the intranet, and the absence of a formally documented IT Disaster Recovery Plan' the Chairman made clear that he would be expecting an update on progress in the March Internal Audit report with any specific issues highlighted. **Action: Neil Hunter Head of Internal Audit**

Annex B page 102 Summary of outstanding recommendations under three months

Page 102 - Fostering Contract Management 18/19 Double Paying for home-to-school transport

- a) Councillor Williams referencing the last paragraph reading 'There are a

number of transport journeys being requested after initial assessment from the ART Team, ART have been unaware particularly where Children are out of the County' which as written was suggesting that the Council was paying carers for home to school transport when the children were out of the County and as this could be potentially fraudulent, asked were these cases being reported to the police? **Action: Neil Hunter Head of Internal Audit to investigate further and write to Councillor Williams outside of the meeting.**

- b) **Page 104 18-19 Ely Bypass Review – Systems Control Compliance** - In reply to a request to clarify the wording "Consideration should be given to whether the Constitution should be adapted to incorporate limits to delegating authority away from Committees, when there are significant implications" this was in order to obtain more rigour by adding a limit in the Constitution, as currently there was none.

It was resolved to:

Note the report.

247. **INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 30TH NOVEMBER 2019**

This report with all recommendations having been agreed by General Purposes Committee that morning provided financial information to be able to assess progress in delivering the Council's Business Plan. Issues highlighted included:

- The overall revenue budget position was showing a £0.236m increase in the revenue pressure since the previous month's forecast showing a forecast year-end pressure of +£1.0m (+0.3%); largely within People & Communities (P&C) (£3.7m pressure), Commercial & Investment (C&I) (£0.9m pressure), and LGSS Operational (£0.4m pressure) partially offset by forecast underspends of -£2.7m in Place & Economy, -£0.5m in CS Financing and -£0.5m in Corporate Services.
- The Capital Programme was forecasting an -£22.7m underspend at year-end after the capital programme variations budget had been utilised in full.

Issues raised included:

- **Page 124 Older people aged 65+ receiving long term services and Adults aged 18+receiving long term services** as these were showing continued increases, the Vice Chairman asked what contingency for these increase had been built into the budget for next year. He requested that this information was provided to him before the full Council meeting on 11th February. **action Ellie Tod / Tom Kelly**
- **Page 128 3.2.2 People and communities – Central Commissioning adults with regard to the line reading** "The Council has needed to

support a number of packages at an enhanced rate this year due to the large scale failure of a major provider of homecare in the last quarter of 2018” there was a request for the name of the provider. **Action Ellie Tod/ Tom Kelly**

- **Page 128 – ‘Central commissioning adults’** on the query on the increase of +£0.412m on last month’s position this reflected commissioning decisions on domiciliary care contracts on the amount of capacity needed heading into winter – costs had exceeded grants available. However this was on a one-off basis. Officers had expected to have other grant available to mitigate this, but pressures elsewhere had used up that grant availability.
- **Page 128 - Funding to Special Schools and Units, High Needs top Funding and out of School Tuition** as an update regarding providing top up funding to the High Needs Block due to the pressures caused by the increase in the number of pupils with Education Health Care Plans (EHCPs), the Children and Young People Committee at their meeting on 12th January had agreed, that subject to approval from the Secretary of State, to transfer 1.8% from the Schools Block to help support the increased pressures on the High Needs Block.
- **Page 132 Capital Programme paragraph 5.3 - Place and Economy - forecast in-year capital underspend of -£17.1m** - one Member, who was also a councillor at South Cambridgeshire District Council, made the point that at that Council gross underspends in relation to the Capital Programme were seen as being as bad as an overspend and were shown on their reports as being red. In reply it was explained that overall figures obscured the fact that some capital schemes would have overspent and others underspent. General Purposes Committee for which this particular report was prepared, received the overall positions on budgets, with service committees receiving more detail on their particular service areas.
- **Balance sheet para 6.2 page 139** - there was a request that the table should also include the previous March figure before the first April figure, as if there was a change, the Committee would not know what it was. **Action: Tom Kelly**
- Cllr Rogers referencing a recent decision of the Pension Fund Committee to agree to admit to the scheme new applications from specialist schools queried how their financial viability was assessed. As this was more appropriate for Pension Fund Officers, and as he is the Chairman of the Committee, he agreed to take up his enquiry directly to Pensions officers.

It was resolved:

to note the report.

248. FORWARD AGENDA PLAN

It was resolved:

To agree the Forward Agenda Plan with the following additions:

- Debt Management Six Monthly Update Report

249. DATE OF NEXT MEETING 24TH MARCH 2020

**CHAIRMAN
24TH March 2020**