

TITLE INTERNAL AUDIT PROGRESS REPORT

To: **Accounts and Audit Committee**

Date: **28th January 2020**

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

Electoral Division(s) **All**

1. PURPOSE

- 1.1 To report on the main areas of audit coverage for the period to 30st November 2019 and the key control issues arising since the last update provided to the Audit & Accounts Committee on 28th November 2019.

2. RECOMMENDATION

- 2.1 The Committee is invited to note the report.

3. BACKGROUND

- 3.1 The role of Internal Audit is to provide the Audit and Accounts 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.
- 3.2 The work being undertaken by the Council's Internal Audit service concerning Manor Farm and the Farms Estate is still in progress. This is a complex, and interlinked piece of work, and it has always been essential to us to get it right, rather than get the report to any specific meeting. When ready the audit will be reported to the next available committee and discussed in public.'
- 3.3 Cambridgeshire County Council (CCC) Joint Management Team considered this report on 9th January 2020 prior to its submission to the Audit & Accounts Committee on 28th January.

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Source Documents: Appendices to Report

LGSS Internal Audit & Risk Management

Cambridgeshire County Council

Update report

As at 30th November 2019

Section 1

1. **FINALISED ASSIGNMENTS**

- 1.1 Since the previous Progress Report in September 2019, 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.	Resources	Fire Safety Checks	Limited	Limited	Minor
2.	Customer & Digital Services	Business Continuity	N/A	Satisfactory	Minor
3.	People & Communities	Direct Payments Compliance	Good	N/A	Minor
4.	Cross-Cutting	Regulation of Investigatory Powers Act Policy	N/A	Good	Minor
5.	Resources	Rental Income	Limited	Limited	Minor
6.	Customer & Digital Services	General Data Protection Regulations (GDPR) Framework	Good	Good	Moderate
7.	People & Communities	Coroner's Service	Good	Good	Minor
8.	Place & Economy	Highways Contract Stage 1 Open Book Review	N/A	N/A	N/A

9.	LGSS	CHAPS Payments Review	N/A	Good	Minor
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1.2 Summaries of the finalised reports with satisfactory or less assurance are provided in Section 4.

1.3 The following audit assignments have reached draft report stage, as set out below in table 2:

Table 2: Draft Reports

No.	Directorate	Assignment
1.	Customer & Digital Services	Complaints Process
2.	People & Communities	Provision of Section 17 Financial Assistance

1.4 Further information on work planned and in progress may be found in the Audit Plan, attached as Annex 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, which the Internal Audit and Counter Fraud team has worked on since the start of the 2019/20 financial year (i.e. some cases may have first been reported in the previous financial year).

Table 3: Internal Audit Investigations Caseload

Case Category	Description of activity or risk example	No.	Outcomes
Investigations	Fenland Association for Community Transport (FACT) Investigation	1	Ongoing support to post-report process.
	Whistleblowing concerns	6	Closed, either no concerns or advice provided.
		7	Review underway by Internal Audit
	Allegations regarding misuse of a Direct Payment	1	Investigation in progress.
	Manor Farm Tenancy Review	1	Report stage.
	Cash thefts	3	Referred to police and advice provided.
	Suspected bank mandate fraud at a school	2	Advice provided.
Totals		21	

2.2 WHISTLEBLOWING CASELOAD:

A summary of the overall whistleblowing caseload is provided below. A high volume of whistleblowing referrals has been received in-year, with 21 referrals received to date, a

significant increase on previous years. For context, in 2018/19, Internal Audit recorded a total of 19 referrals for the entire financial year.

Please note that the table below includes cases which were initiated as whistleblowing cases to Internal Audit, but have subsequently been passed to Human Resources (HR) or another appropriate service to investigate/address under the relevant corporate policy (for instance, corporate complaints or grievance cases).

Table 4: Whistleblowing Caseload

Case Category	Description of activity or risk example	No.	Status
Whistleblowing	Complaints	2	Closed
	Allegations of fraud and/or theft	5	Closed
		7	Open
	Allegations relating to governance	1	Closed
		1	Open
	HR issues (grievance, disciplinary, etc.)	1	Closed
		2	Open
	Information Security concerns	1	Open
	Safeguarding allegations	1	Closed
Totals		21	

Section 3

3 **IMPLEMENTATION OF MANAGEMENT ACTIONS**

- 3.1 The outstanding management actions as at the end of November 2019 are summarised in Table 5 below, which includes a comparison with the percentage implementation from the previous report (bracketed figures).
- 3.2 There are currently 15 management actions outstanding. Further detail on all outstanding actions is provided at Annex B.

Table 5: Outstanding Management Actions (Year To Date)

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
Implemented	1	1% (1%)	62	79% (73%)	63	81% (74%)
Actions due within last 3 months, but not implemented	0	0% (0%)	11	14% (19%)	11	14% (19%)
Actions due over 3 months ago, but not implemented	0	0% (0%)	4	5% (6%)	4	4% (6%)
Totals	1		77		78	

4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE

4.1 RESOURCES DIRECTORATE

4.1.1 Fire Safety Checks

To manage fire safety robustly and effectively, the Council's Property Compliance team carries out Fire Risk Assessments (FRA's) for all Council buildings. The Facilities Management team then arrange for any remedial actions to be completed in the required timescales. Internal Audit reviewed this process, to provide assurance that the Council's Fire Safety Policy and guidance is aligned with the Regulatory Reform (Fire Safety) Order 2005 and that this policy is followed when undertaking FRA's; that risk assessments are undertaken for all Council buildings, and that regular reporting and monitoring is undertaken in relation to FRA's and relevant findings.

The audit has given limited assurance over the adequacy of the Council's controls over fire safety, primarily because the Property Compliance team does not have a complete list of all buildings for which they are required to undertake FRA's. This creates a risk that some Council buildings may not have received FRA's as required by legislation.

Limited assurance was also given over compliance, as the audit identified that remedial actions from FRA's are not consistently being implemented in line with the prescribed dates. Actions resulting from FRA's can be assigned to different individuals, teams or contractors depending on the nature of the remedial works and the expertise required; however there is currently no overarching responsibility for recording and monitoring the completion of all actions. This increases the risk that key actions are not completed within required timescales.

As a result of these findings, a number of key actions have been agreed with the service. The Council has recently developed a master list of properties, and this will be used to establish for which properties the Council has a legal responsibility to undertake FRA's and ensure that all such properties have an up-to-date FRA. Monthly meetings between Facilities Management and Property Compliance will be undertaken to monitor the implementation of actions from FRA's and a spreadsheet developed to ensure actions can be recorded and monitored centrally. This will include development of a record of due dates for properties whose existing FRA requires a review.

Internal Audit also identified that a property which has been authorised for closure and deemed only suitable for storage is still used extensively by employees for meetings. The property does not have an FRA. It was agreed that the meeting rooms in this property will be closed to employees and removed from the corporate Outlook diary to ensure they cannot be booked for meetings.

4.1.2 Rental Income

A review was undertaken to provide an opinion on the adequacy and effectiveness of the Council's processes for achieving value for money when setting rental rates and collecting rental income. This included rental income for caretaker/site officer housing, commercial lettings and Early Years centres, but excluded rental income from County Farms, as this area was covered by a separate audit review.

Based on the completion of fieldwork, the audit has given limited assurance over the controls in place to manage and monitor rental income. The review identified a lack of formal policy and process across the range of activities carried out to manage rental property, which exposes the Council to the risk that best value is not consistently achieved. In a number of areas, Internal Audit found overlap and/or a lack of clarity regarding the respective responsibilities of the various teams involved in managing rental arrangements, particularly regarding the collecting and monitoring of rent.

Internal Audit has also identified limited assurance over compliance with policies and processes for managing property rentals. In particular, sample testing of 25 rental properties across a range of property types identified that 24% did not have a current legal agreement (such as a lease) in place to govern the rental arrangements, and a further 16% were subject to temporary 'Tenancy At Will' arrangements, all of which had been in place for 11 months or longer although these are intended to be used as temporary arrangements until formal lease agreements can be finalised. Audit also identified a significant value of rent that had not been collected or expected income which had been foregone, which included rent due across all types of rental property.

The service is currently planning the introduction of a new electronic property asset management system, which will have the capability to address some of the issues identified during the audit, by creating a centralised record of all leases and a commitment record for rental income. A number of recommendations from the audit have been agreed with the service, including the development of formal policies regarding responsibilities for raising invoices and tracking payments, reconciling payments to income due, and ensuring that relevant team(s) are notified of key changes such as rent reviews or new leases.

The service has already started work to address the areas of non-compliance identified by Internal Audit, particularly in issuing draft lease agreements where these are not in place. Following the audit, it has also been agreed that a formal action plan will be drawn up to

cover the work to ensure that all rental arrangements have formal lease documentation in place, and to identify and collect missing income. This will include a timetable, prioritisation and delegation of responsibilities and an estimate of resources required to complete the work, which will allow senior management to consider how best to prioritise this work.

4.2 CUSTOMER & DIGITAL SERVICES DIRECTORATE

4.2.1 Business Continuity

Internal Audit undertook a review of business continuity arrangements and processes in place to support business continuity planning. This was a review of controls and did not seek to provide an opinion on the detail of individual service planning or whether controls are complied with.

Based on the completion of audit fieldwork, a satisfactory level of assurance was given over the adequacy of business continuity governance arrangements. The Council has a clear Business Continuity Policy and Business Continuity Plan which are subject to regular review, with guidance, advice and training available to support those responsible for the development and maintenance of business continuity plans. However, the review also identified several areas where controls could be improved; in particular, introducing a system to ensure that Emergency Management Team resource is prioritised towards the most high-risk areas of the Council and that the Emergency Management Team provide formal scrutiny of plans in these areas, to provide assurance that planning is adequate. The review also identified a lack of senior management oversight of business continuity planning, information not being available to all staff on the intranet, and the absence of a formally-documented IT Disaster Recovery Plan.

A number of actions to address these issues were agreed. In particular, the service will introduce a methodology for scrutinising and prioritising service-level Business Continuity Plans, as well as introducing biannual reporting to JMT, to provide assurance that all services have BCPs in place and to communicate any emerging risks or issues.

5. OTHER AUDIT ACTIVITY

5.1 UPDATES TO THE INTERNAL AUDIT PLAN 2019/20:

In each Progress Report, Internal Audit outlines any proposed changes or updates to the annual Audit Plan in light of additional pressures and/or the evolving risk profile of the Council. Following a major review of the Audit Plan in the previous report, no further updates to the Plan are proposed at present.

5.2 DEVELOPMENT OF THE AUDIT PLAN 2020/21:

Internal Audit is now initiating work to develop a draft Internal Audit Plan for the 2020/21 financial year. This work includes identifying areas for review through:

- Consulting with individual Directors and Directorate Management Teams.
- Gathering intelligence from the outcomes of audit reviews in 2019/20.
- Identifying major corporate contracts due for review.
- Assessing areas of coverage which were deferred from the 2019/20 Plan.
- Identifying key legislative changes which may impact the Council in the coming year.

Possible areas for review identified as a result of these processes are then risk-assessed and prioritised for inclusion in the 2020/21 Plan based on the level of risk associated with them.

The draft Plan will be presented to JMT and Audit & Accounts Committee for review in March 2020.

5.3 RESOURCING OF INTERNAL AUDIT:

Internal Audit has prepared a paper discussing the current resourcing of the service and outlining a suggested approach to future management of resource pressures. This paper is being sent to the Chief Executive and Deputy Chief Executive for consultation on the available options.

CCC INTERNAL AUDIT PLAN 2019/20

Summary of Progress:

Total Completed Audits from 2019/20 Audit Plan	19
Total Audits at Draft Report Stage	4
Total “Ongoing” Work <i>(i.e. which does not have a specific end date, but will close at the end of the financial year)</i>	11
Total Open Audits	35
Total Not Yet Opened Audits	12

Full Audit Plan:

Audit	Status	Quarter Opened	Quarter Closed
VAT	NOT OPENED		
Unannounced Visits	OPEN	Q3	
Development of Project Assurance Framework	ONGOING	N/A	N/A
Project Assurance of High Risk Projects	OPEN	Q2	
Business Continuity	CLOSED	Q1	Q3
Financial Planning, Demand Management and Control	NOT OPENED		
Contract Management - Eastern Highways Alliance	OPEN	Q2	
Contract Management - Home and Community Support Service Framework	OPEN	Q2	
Contract Management – Supported Living Services for Adults with a Learning Disability	OPEN	Q2	
Contract Management - Cambridgeshire Lifestyle Services	OPEN	Q1	
High Value Supplier Contract Management Reviews	OPEN	Q2	
Business Continuity for Key Contracts	OPEN	Q2	

Contract Management Policy and Guidance	OPEN	Q2	
Transformation Fund Benefits Realisation	OPEN	Q2	
Annual Key Policies & Procedures Review	OPEN	Q3	
Procurement Governance	OPEN	Q2	
Procurement Compliance	OPEN	Q2	
Procurement Waivers for Procurement Outside Contract Procedure Rules	OPEN	Q3	
Consultancy Policy Compliance	OPEN	Q3	
LGSS Law Ltd	OPEN	Q1	
Regulation of Investigatory Powers Act Policy Compliance	CLOSED	Q2	Q3
Property Asset Disposals & Acquisitions Policy Compliance	OPEN	Q3	
County Farms Process & Practice	OPEN	Q1	
Fire Safety Checks	CLOSED	Q1	Q3
Residential & Nursing Contract Management	OPEN	Q1	
Rental Income	CLOSED	Q1	Q3
This Land Limited	OPEN	Q1	
Annual Whistleblowing Policy Report and Awareness	OPEN	Q3	
Direct Payments - Prepayment Cards	OPEN	Q2	
Troubled Families Grant	ONGOING	Q1	N/A
Disabled Facilities Grant	CLOSED	Q1	Q3
Special Educational Needs Placements	OPEN	Q2	
Annual Safeguarding Assurance	OPEN	Q2	
Provision of Section 17 Financial Assistance	OPEN	Q1	
Safeguarding Clients' Personal Assets - Compliance	OPEN	Q2	
Highways Stage 1 Open Book Review (Client)	CLOSED	Q1	Q2
Highways Commercial Group	ONGOING	Q1	N/A
Highways Contract Stage 2 Open Book Review (Contractor)	OPEN	Q3	
Highways Contract Governance Processes	OPEN	Q1	
Waste PFI Renegotiation of Contract	ONGOING	Q1	N/A
Local Transport Capital Block Funding	CLOSED	Q1	Q2
Bus Service Operators	CLOSED	Q1	Q1
Pothole Action Fund	CLOSED	Q1	Q2
Cycle City Phase II	CLOSED	Q1	Q2
Safer Roads Funding	CLOSED	Q1	Q2
Chisholm Trail 19 - 20	OPEN	Q2	
Coroners Service	CLOSED	Q1	Q3
Additional Highways Maintenance Grant	CLOSED	Q1	Q1
Complaints Process	OPEN	Q3	
Accounts Receivable	NOT OPENED		

Purchase to Pay	NOT OPENED		
CHAPS Payments Review	CLOSED	Q1	Q3
Payroll	NOT OPENED		
General Ledger	NOT OPENED		
Bank Reconciliation	NOT OPENED		
Treasury Management	NOT OPENED		
Annual Assurance on Risk Management	NOT OPENED		
Debt Recovery	OPEN	Q1	
Pensions	NOT OPENED		
Annual Governance Statement/Code of Corporate Governance	OPEN		
General Data Protection Regulations Implementation	CLOSED	Q2	Q3
Information Technology Audit Plan	NOT OPENED		
Financial Systems IT General Controls	NOT OPENED		
Community Transport Investigation 2019 - 20	ONGOING	Q1	N/A
Code of Conduct investigation	OPEN	Q1	
Manor Farm Tenancy Review	OPEN	Q1	
Ely Bypass Review	CLOSED	Q1	Q2

ANNEX B

Summary of Outstanding Recommendations – under 3 months

(Recommendations as at the end November 2019).

Audit	Risk level	Summary of Recommendation	Target Date	Status
Fostering Contract Management 18/19	I	Double paying for home-to-school transport Establish a suitable fee reduction to ensure travel costs are not paid for twice, and publish this clearly as part of fee negotiation guidance. Before negotiations for a contract start, it should be fully established whether the child is eligible under the home to-school transport assistance policy and the fee reduction should be agreed accordingly. Guidance should be updated to state that every contract should include a note re: how Home to School transport and transport to contacts is funded, and that this should also be noted on the placement plan.	01/10/19	<p>Emailed the Interim Service Lead Placements (Children's) on the 12th & 16th December 2019, 14th & 15th January 2020 requesting update on whether policy and guidance has been updated with no response.</p> <p>Work has progressed to identify cases where home to school transport has been provided by the Council when it should be provided by the carers, this is being reviewed.</p> <p>The Quality Manager - Social & Education Transport Team reported 14.01.20 that the Social Services Department team are continuing to work with the Access to Resources Team (ART) in resolution of double funding.</p> <p>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 Country.</p> <p>Revised target date for the recommendation: TBC</p>
Performance Management 18/19	I	Performance Management Framework The Performance Management Framework should be updated as soon as possible to reflect the current Council	11/10/19	<p>New standardised performance management framework developed with Chairs and Vice Chairs of all committees. Key Performance Indicators</p>

		<p>structure (at Member and Directorate level), including:</p> <ul style="list-style-type: none"> • The role of shared services with Peterborough City Council and if there is a case for aligning performance management processes and/or Key Performance Indicators (KPIs). • A corporate strategy to guide the development and regular review of KPIs, based on the Plan > Do > Review > Revise approach. • Reference to data quality and good practice in the calculation of KPIs. • A process for remedial action where the achievement of outcomes is threatened, considering possible links to the Transformation Team. • Clarifying roles and responsibilities of officers and members, particularly in relation to the calculation, reporting and monitoring of KPIs. Documentation of responsibilities will also ensure that continuity is not lost in the event of Member or staff changes or restructures. • Aligning standardised processes across directorates. <p>Once updated, the Framework should be published on the Council's corporate intranet and awareness-raising should be conducted with staff.</p>		<p>(KPIs) linked to Corporate Strategy 2019-22 and Service Committee priorities.</p> <p>KPIs checked and refined with all committees through first quarter reporting. Very positive feedback from Members and Officers on performance reporting which supports decision making.</p> <p>Second quarter reporting in December committees has suggested a few additional tweaks to process and reports.</p> <p>Each KPI has a linked Committee, business owner and allocated BI, service and Finance support.</p> <p>Committee performance reports publish to website in Q1 and Q2.</p> <p>Revised target date 31st January 2020</p>
Performance Management 18/19	I	<p>Key Performance Indicators in Corporate & Customer Services, Resources and Business Improvement Directorates</p> <p>The Business Intelligence service has confirmed that KPIs in place within the Corporate & Customer Services, Resources and Business Improvement directorates are in the process of being reviewed and aligned to the new corporate strategy. This will address the issue identified. When the review of KPIs from the Corporate & Customer Services, Resources, and Business Improvement and Development directorates is complete, these KPIs should be considered for inclusion in the Council-wide objective-</p>	11/10/19	<p>Risk and performance workshop with Business Improvement and Development Management Team and Audit 9th December 2019. Risks agreed, KPIs suggested.</p> <p>Risk register went to General Purposes Committee in November 2019. Updated risk register and performance report on GPC agenda February 2020.</p> <p>Revised target date 29th February 2020</p>

		based reporting.		
18/19 Ely Bypass Review	I	Systems Control Compliance Consideration should be given to whether the Constitution should be adapted to incorporate limits to delegating authority away from Committees, particularly when there are significant financial implications.	31/10/19	The Service Director, Highways and Transport, has met with the Monitoring Officer and it has been agreed that the Service Director will develop a report to be taken to the Constitution and Ethics Committee for consideration. In order to allow for the development of this paper and to align with Committee meeting dates, a revised target date of 30 th April 2020 has been agreed. Revised target date: 30th April 2020
19/20 Fire Safety Checks	I	Property deemed not suitable for use The Head of Property should ensure that Stanton Villas is closed to employees and that associated meeting rooms are removed from the Outlook diary so that officers are aware that the building is not available for use. Stanton Villas was authorised for closure in 2017. Meeting Rooms to be closed and the Mobile Library Service to be moved when appropriate. Stanton Villa to be designated for storage only.	30/11/19	To update on the plans for Stanton Villas in relation to the Fire Risk Assessment Audit <ul style="list-style-type: none"> • Property have negotiated closure for end of January 2020. This is to allow for all meetings to be moved. • calendars will be deleted • Property will remove any furniture items that look like desk or meeting space • Access will be deleted • Exception –the space will be used for storage • Exception – named library colleagues – storage • Property will look at what is carried out there in terms of maintenance (hard and soft) and reduce accordingly Revised target date: 31st January 2020
Accounts	I	Systems Control Compliance:	30/09/19	A new process is being developed that will ensure

Receivable 18/19		Aged items should be subject to a targeted review and if they cannot be allocated to invoices they should be removed from suspense and allocated to a fortuitous income code in the same way that suspense items from legacy systems have been.		any suspense item not allocated after 6 months in suspense will be removed from the suspense account and journaled to a fortuitous income code. This process will include a check list developed to ensure that items will only be removed from suspense after being subject to rigorous investigations, including liaison with Corporate Finance. Revised target date 28th February 2010
Accounts Receivable 18/19	I	Systems Control Compliance: Suspense account reporting should be provided to clients on a regular agreed basis and should include: • All suspense accounts for each client. • Volumes and values of new suspense items. • Volumes and values of items cleared from suspense. • Volumes and values of aged suspense items. • Performance against agreed KPIs.	30/09/19	High level suspense reports are now provided to clients. The development of more detailed suspense reporting is progressing and reports are now provided to the Head of Finance and Finance Business Partners. Targets are yet to be agreed. Revised target date 28th February 2020
Accounts Receivable 18/19	I	Systems Control Compliance: The Head of Finance Operations should consider undertaking a review of suspense items to establish if there are particular services whose customers consistently fail to provide the required reference numbers. If such services are identified the Accounts Receivable Team should liaise with those services in order to develop communication plans to help educate customers and ensure they provide accurate reference numbers.	30/11/19	Services have been identified and new processes are being put in place to streamline allocations. Engagement with services is ongoing. Accounts Receivable led training sessions have been held for Financial Business Partners, Budget Holders, Treasury and HR to give a better understanding of the AR Income processes. Revised target date: 31st March 2020
Debt Recovery 18/19	I	Systems Control Compliance: Investigations into the root cause and potential fixes to address the issue of write offs being processed without appropriate authorisations in the system should be completed as a matter of priority. Any fixes identified or new processes developed should be robustly tested before	30/09/19	There is currently a review of all debt recovery processes, including write offs. As such, the work to identify a fix for the existing workflow has been put on hold until the process review is complete. This is because the review may result in a new workflow and write off process being developed

		implementation on the live system.		<p>within the system. In the interim, a bulk write off process has been implemented. This will be utilised until the development freeze in ERP has ended.</p> <p>Revised target date 31st March 2020</p>
Debt Recovery 18/19	I	<p>Systems Control Compliance: Debt Recovery Managers should liaise with Business Systems Team to develop a reconciliation report within the system to identify any write offs that have not been properly authorised, processed and updated on the General Ledger.</p>	30/09/19	<p>This work is on hold until the review noted above is complete and the write off process to be utilised for the future is agreed.</p> <p>Revised target date 31st March 2020</p>
Debt Recovery 18/19	I	<p>Systems Control Compliance: The Debt Recovery Team should undertake a review of potential write offs covering:</p> <ul style="list-style-type: none"> • debts currently proposed for write-off; • debts over 12 months old to establish any cases where recovery activity has been exhausted and that therefore should be written off. <p>Any debts that are identified as suitable for write off should be sent to budget holders for approval and written off in ERP as a matter of priority.</p> <p>The approval requirements for write offs within the Debt Recovery Service should be agreed and implemented within ERP as a matter of priority so that the appropriate officers can process any proposed write offs in a timely manner. This is essential to ensuring that the system controls over write offs are implemented as designed and complied with in practice. This should include the process by which budget holders may request write-off of a debt which should be communicated to budget holders. .</p>	30/09/19	<p>There is currently a review of all debt recovery processes, including write offs. Agreement on approval requirements will be considered as part of this review. The review may result in a new workflow and write off process being developed within the system and this may necessitate a different/more efficient authorisation process than that originally designed.</p> <p>In the interim, a bulk write off process has been implemented. The first bulk write offs have now been undertaken. Once the process review noted above and the recruitment freeze in ERP is lifted the approval workflows in ERP will be agreed.</p> <p>Revised target date 31st March 2020</p>

Summary of Outstanding Recommendations – over 3 months

(Recommendations due as at the end November 2019).

Audit	Risk level	Summary of Recommendation	Target Date	Status
Fostering Contract Management	I	Overpayments to Level 6 Carers: Review the payments to Level 6 Carers.	31/05/19	<p>A review in relation to all CCC Level 6 carers has been undertaken – the work stream lead will be changed to Head of Service to monitor progress in January 2020. This activity will feed into the foster carer remuneration review (currently with Children's Director for review) and Youth Scheme being considered by Executive Director in January 2020.</p> <p>There will be no change to any current level 6 arrangements until the completion of the full review and outcome of associated activity</p> <p>Implementation of revised remuneration package and revised arrangements for Level 6 carers: April 2020</p>
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>The proposal is now to use existing ERP functionality to hold IT asset information on an employee's record. IT would then be able to use this information to ensure IT equipment is handed back as part of the leaver process, saving money. The project proposal is now awaiting a Business Analyst to become available to undertake a detailed requirements analysis and process review in order to develop an options appraisal and outline Business Case. The project is</p>

				provisionally scheduled to commence in early 2020. Revised target date: 31st March 2020
Fostering Contract Management	I	No control process to identify errors in in-house payments: Create a payment policy document that clearly sets out the different scenarios that occur and how they are paid for, such as: respite breaks, children going to university, level 6 carers with a staying put placement etc. Include details about independent fostering agencies (IFA) carers transferring to in-house, and the fee agreements relating to children already in place.	01/07/19	Policy document in regards to specific circumstances outside of the usual or normal arrangements is in progress of being drafted now financial guidance has been disseminated. Revised target date: 30th January 2020 IFA carer transfer agreement is already in place and has been confirmed as completed with Mairead previously – completed Operation monitoring process in place to scrutinise foster care payments Corporate Parenting Finance Manager to set this out in a procedure document that sits across service, business support and finance Revised target date: 30th January 2020
Transport Contract Management	I	Financial processes: A full financial processes review should be conducted by the Special Education Transport Team in conjunction with the Professional Finance team. This should include immediately ensuring that payments made via interface spreadsheet are linked to a SWIFT ID or other relevant identifier. The review should also ensure that interface payments are being used in the most efficient manner, reducing the amount of duplicate entry required and the risk of human error occurring in the	31/07/19	Internal Audit have met with Finance colleagues to discuss progress. The review of adults transport has grown in scope from that originally envisaged by the audit. A planning meeting is taking place, after which a firmer timeline and scope will be known. Internal Audit were informed this is progressing with monthly meetings in place. A new target date of 31 July 2020 was given.

		<p>payments.</p> <p>And in the longer term:</p> <ul style="list-style-type: none"> • Developing a new commitment record spreadsheet for adults and Looked After Children (LAC) transport, which contains all journeys and client information. • Reinstating the use of Purchase Orders and receipting for the payment of all SETT invoices, in line with the Scheme of Financial Management. 		<p>Revised target date: 31st July 2020</p>
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