

AUDIT AND ACCOUNTS COMMITTEE MINUTES ACTION LOG FOR COMMITTEE MEETING 29th NOVEMBER 2016

ACTIONS ARISING FROM THE MINUTES OF THE 22ND SEPTEMBER 2015 COMMITTEE MEETING			
<u>NO</u>	<u>TITLE OF REPORT / MINUTE AND ACTION REQUESTED</u>	<u>LEAD</u>	<u>PROGRESS / RESPONSE</u>
1.	MINUTE 158. SAFEGUARDING - SAFE RECRUITMENT IN SCHOOLS UPDATE There was a request to receive an update report at the November meeting.	K Grimwade	A report was included on the November 2015 agenda. A further update was received at the March 2016 meeting with a further update re-programmed from the September Committee to be received at the November 2016 meeting. Report included on the agenda. Action ongoing
ACTIONS ARISING FROM THE MINUTES OF THE NOVEMBER 2015 COMMITTEE MEETING			
2.	MINUTE 170. INTERNAL AUDIT PROGRESS REPORT TO 31ST OCTOBER		
	The Whistle-Blowing poster should be redesigned to ensure that visually it could not be ignored.	N Hunter / M Kelly	This was still ongoing with a request at the September meeting for an update to come forward to the November meeting as part of the Internal Audit Progress Report. This had been actioned and posters were now up. The update is included in paragraph 2.4 of the said report on the current agenda. Action completed.

ACTIONS ARISING FROM THE MINUTES OF THE 15th MARCH MEETING 2016 COMMITTEE MEETING			
3.	MINUTE 200 - CAMBRIDGE LIBRARY ENTERPRISE CENTRE REVIEW – UPDATE ON ACTION PLAN PROGRESS TO DATE		
	<p>a) Confidentiality Agreement - It had been agreed that Quentin Baker Director of Law, Procurement and Governance was the appropriate officer to prepare the relevant report. At the time of the March Committee meeting no update had been provided by the Director of Law and Governance for the Progress Plan and the Chairman therefore undertook as an action to telephone him personally to request an update.</p>	<p>Internal Audit</p>	<p>As an update to the September meeting it was reported that Internal Audit were still seeking clarification of timescales from the Director of Law, Procurement and Governance.</p> <p>The Chairman asked them to press for a timescale and report back on progress as this a long outstanding request. The latest position is that a further update request was sent from internal Audit to Quentin Baker on 8th November. Internal Audit to indicate orally at the meeting if a response has been received.</p> <p>Action ongoing</p>
ACTIONS ARISING FROM THE MINUTES OF THE 7th JUNE MEETING 2016 COMMITTEE MEETING			
4.	MINUTE 214 - ISA 260 UPDATE REPORT		
	<p>a) Page 4 First line entry - list of all assets – There was a request for a six month progress update on the 18 month project to register all 6,000 parcels of land purchased for highways schemes with the Land Registry. Action</p>	<p>Camille Haggett (Rhodes)</p>	<p>A report is to be presented to the January 2017 meeting.</p> <p>Action ongoing</p>
	<p>b) Page 6 Bank Accounts - Text on latest position reading “Ten imprest (petty cash) accounts remain to be mapped to the General Ledger (GL) and these are being investigated”. The Chairman</p>	<p>Iain Jenkins</p>	<p>An update to the September Committee (Minute 251 4b) indicated the value of the accounts was not material with a further update to be provided once the review was completed. The Accounts had, had to take</p>

	requested a confirmation note when completion was achieved on these final 10.		<p>priority. The Chairman confirmed at the September meeting that he still wished to see the update.</p> <p>An update at the Chairman's briefing on 18th November reported that work to map the 10 accounts to the General Ledger had been completed. The total value of the ten accounts was £7,967. Finance officers had liaised with colleagues from service teams to establish whether the accounts were still in use and it had been found that five were now obsolete. These accounts would be closed, in line with the Council's Imprest guidelines.</p> <p>Action completed</p>
5.	MINUTE 215 - BDO EXTERNAL AUDIT PLANNING REPORT TO THE AUDIT AND ACCOUNTS COMMITTEE AUDIT FOR THE YEAR ENDED 31ST MARCH 2016		
	b) Page 6 setting out the Audit Scope and objectives – with reference to number 5 'use of resources' the Chairman requested that in respect of 'securing economy, efficiency and effectiveness in the use of resources' that future reports from the External Auditors should provide examples of best practice undertaken in other local authorities. Action	Lisa Clampin	<p>This has been noted and the 'Use of Resources Team' briefed to make reference to relevant best practice where possible. The draft report on the findings from BDO's 2015/16 audit, including their use of resources work, was included on the September agenda. The final report is on the current agenda.</p> <p>Action ongoing</p>
	c) Page 10 –Transport Infrastructure Assets	Sarah Heywood / Mike Atkins/ Barry Wylie	<p>An update report is to be provided to January Committee meeting.</p> <p>Action ongoing.</p>

	e) Page 13 Sustainable Finances – It was confirmed that the figure of £51m savings for 2016-17 was still accurate. The Vice-Chairman suggested that in a year's time commentary should be included which indicated whether the Council's risk in respect of its sustainable finances position had improved or worsened. Action.	Lisa Clampin / Sarah Heywood	This has been noted. BDO indicated as an update for the July meeting that they would be providing such context in its report for 2016/17 included on the current agenda. Action ongoing
6.	MINUTE 218 - INTERNAL AUDIT ANNUAL REPORT 2015/16		
	a) It was agreed that Democratic Services should invite the Director of Learning and the Schools Finance Manager to the September meeting to set out the progress being made on Education trading units business plans.	RVS contact K Grimwade / M Wade	It was agreed at the July meeting that an update report for information would come forward to the November Committee Meeting to allow greater input into the final report from Internal Audit. As it contains business sensitive information the appendices have been classed as confidential and circulated to Members separately for the current meeting. Action ongoing
	b) Investigations in respect of anti-fraud and corruption were detailed in section 4.6 of the report. In terms of the alleged theft of cash from a library safe, officers were asked to contact the affected libraries to ensure the guidance issued was being followed.	M Kelly	As an update to the September meeting, Internal Audit indicated that the recommendation regarding updating the till in use had not yet been implemented. It was agreed (Minute 251 – 6) for an update for the November meeting. At the Chairman's briefing Internal Audit clarified that the recommendation regarding the till was considered to be the least important, with all major recommendations having been actioned and was not one that Internal Audit would be pursuing further. Action completed.

ACTIONS ARISING FROM THE MINUTES OF THE JULY 2016 COMMITTEE MEETING			
7.	MINUTE 226. MINUTES		
	<p>Minute 213 ‘Systems in place to ensure that Section 106 Funds do not go unspent’ and the resolution reading: “That in noting the report it should be placed on record that the unanimous view of the Audit and Accounts Committee was to recommend that <u>where</u> Section 106 monies could not be applied against relevant expenditure by the deadline in the agreement, the County Council should ensure the developer was informed in due course”</p>		<p>The Committee at its September meeting (Minute 251-8) agreed the following approach adopted by officers on identified unspent Section 106 monies:</p> <ul style="list-style-type: none"> Funds being applied against applicable expenditures,
	<p>The Chairman had not been satisfied that the action had been passed on to relevant officers and requested that evidence was provided that officers had been notified and were actioning the Committee’s request.</p>	<p>S Heywood</p>	<ul style="list-style-type: none"> Undergoing discussions with a respective developer as to alternative possible uses for the funds, and if agreement was not possible, the funds being repaid. <p>The Committee requested that where there were any exceptions / negotiations requiring monies to be returned, they should be provided with details, either via an email or a report.</p> <p>At the Chairman’s briefing on 18th November the Chairman suggested he would wish to see an annual report. This could be accommodated and Finance officers have undertaken to contact Democratic Services regarding a suitable date. It needed to be highlighted that at the designated date there might be nothing to report.</p>

8.	MINUTE 233. INTERNAL AUDIT PROGRESS REPORT TO 31ST MAY 2016		
	Completed audit – C1 Domiciliary Care– missed short and late calls completed audit	M Kelly	It was agreed that an update on the implementation of the Domiciliary Care Audit should be provided in January as part of the Internal Audit Progress update report. This is now referenced on the Agenda Plan. Action ongoing.
ACTIONS ARISING FROM THE MINUTES OF THE 20th SEPTEMBER 2016 COMMITTEE MEETING			
9.	MINUTE 242 RISK MANAGEMENT REPORT		
a)	9. Failure To Secure Funding For Infrastructure		
	In respect of schools funding, the Chairman made reference to a reduction in funding (£34m to £4m) asking whether the figures for post 2016/17 were available. Action: The lead officer undertook to provide a note outside the meeting.	D Thorp	An email was sent to the Chairman on 24 th October providing the following updates: The figures for 17/18 and 18/19 are £32,670,722 and £24,918,658 respectively. Action completed.
b)	15. Failure of the Council's arrangements for safeguarding vulnerable children and adults		
	Reference was made to the risk in relation to failure to undertake the necessary safeguarding DBS checks for drivers undertaking home to school transport. There was a request for a follow up to the report previously received by the Committee in June.	Rob Sanderson (RS) to contact Toby Parsons / Paul Nelson	This has not been included in the report from Keith Grimwade as in response to a request from the Committee for an update, Paul Nelson in an e-mail dated 30 th September indicated that the actions had been undertaken or were in the process of being completed, which would be before the November Committee.

	<p>On the specific actions from the Audit recommendations that had not been completed at the time of the original report as set out below:</p> <p>changes to strengthen the penalty points issued through the contract so that there is a real deterrent to operators trying to provide drivers that do not have DBS clearance.</p> <p>The protocol to be distributed to operators, so that they are aware of their responsibilities, and to schools and parents so that they know who to report any concerns to that can then be followed up. The intention behind these changes is to further reduce the current 2% failure rate.</p>		<p>This change has been made along with issuing the protocol to operators.</p> <p>Letters to parents advising them of their transport arrangements includes contact details in the event of any issues had been sent. The information to schools was at 30th September being finalised but was expected to be undertaken before the next Committee meeting.</p>
c)	<p>Three Issues of concern were raised by the Chairman:</p> <ul style="list-style-type: none"> i) The risk that the lack of Council funds would lead to gaps in service provision and the inability to achieve the Council's aims. ii) The risk that the failure to recruit to low paid jobs could lead to serious issues, such as a lack of supply of care providers. iii) The need to look at not only the services the Council was providing, but also identifying those services that it ought to, but was not, or was no longer able to provide. 	Originally D Thorp / will be Tom Barden going forward	<p>The Corporate Risk Group has received the three issues of concern listed and their response will initially be reported to SMT on 12th January as part of them receiving the next Risk Register update report after which time SMT will finalise the response which will be included in the next available update report to the Audit and Accounts Committee.</p>
	<p>d) Appendix 1 showing the Corporate Residual Risk, as reproduced in black and white, made it unclear whether some of the circles were emboldened to indicate that there had been an adverse change. The Chairman suggested looking at including diagonal lines / cross hatch to highlight changes. Action: Officers agreed to look again at the presentation in Appendix 1.</p>	D Thorp / T Barden / Sue Norman	<p>The presentation will be changed for the future.</p> <p>Action completed.</p>

	<p>e) With respect to appendix 3 providing an analysis of what was included in other Councils Corporate Risk Registers, Action: Officers agreed that they would undertake a review of the data to see if there were any areas not included on the current County Council Corporate Register which could be a useful addition and that SMT should be asked to consider.</p>	<p>T Barden / Sue Norman</p>	<p>Officers are currently looking at the content of how risk registers are used and their contents including future processes and timelines and the Chairman's proposals will be taken into consideration.</p> <p>Action ongoing</p>
	<p>f) Risk 26 if the loss of income as a result of disruption to services during repair work to the Guided busway was seen as an issue.</p>	<p>Sue Norman</p>	<p>Reply from Campbell Ross-Bain (Park and Ride Manager) confirmed that there are no reports of a drop in income from bus operators and that passenger numbers continue to increase.</p> <p>Action completed.</p>
10.	MINUTE 243. INTERNAL AUDIT PROGRESS REPORT		
	<p>A) 'Histon Early Years - safe recruitment', limited assurance as three teaching staff had been employed before the DBS checks were received. Action: It was agreed this would be taken up with) outside of the meeting and would require a note of explanation before the November Committee meeting.</p>	<p>Keith Grimwade (KG)</p>	<p>An e-mail was sent to the Chairman on 8th November indicating that the Centre has implemented the required actions and has provided the explanation set out in Appendix 1.</p> <p>Action completed</p>
	<p>B) Dissemination being undertaken in respect of making all schools aware of both good and bad practice that had been found during audit inspections of schools. Action: To include in the above report.</p>	<p>KG</p>	<p>It was indicated on 7th November that a letter was being drafted by HR to go to all schools which would be copied to the Chair of A&A Committee.</p>
	<p>C) Appendix A, the Audit Plan, Transformation Programme section, the Vice Chairman queried whether 15 days allocated was sufficient.</p>	<p>Hunter / D Wilkinson</p>	<p>A response at the meeting indicated that it was necessary to give the Review a chance before deciding whether more audit resource was required.</p>

			<p>An oral update at the Chairman's briefing on indicated that 15 days was likely to be sufficient, but if not there, was sufficient flexibility to be able to allocate additional days.</p> <p>Action completed</p>
11.	<p>MINUTE 244. DRAFT AUDIT AND ACCOUNTS COMMITTEE ANNUAL REPORT</p> <p>A number of changes were suggested as listed in the Minutes</p>	M Kelly	<p>All the changes were made and included in the version of the report that went forward to the full Council meeting on 18th October.</p> <p>Action completed</p>
12.	<p>MINUTE 245. ACCOUNT AND AUDIT REGULATIONS IMPLICATIONS ON THE PRODUCTION OF THE STATEMENT OF ACCOUNTS STATUTORY DEADLINES AND PUBLICINSPECTION PERIOD</p> <p>a) Request that the updated report should also provide an estimate of the likely fees to the Council should LOBOS require restitution.</p>	I Jenkins / S Heywood	<p>The issues regarding LOBOS were included in the report provide to the extraordinary meeting.</p> <p>Action completed</p>
	b) It was agreed to receive an update on progress at the March 2017 meeting.	I Jenkins / S Heywood / BDO	<p>Has been programmed.</p> <p>Action ongoing</p>
	c) Page 27 – detailing the action being taken by the Council to address the causes of the significant capital expenditure slippage reported against the Capital programme during the year. In discussion the Chairman requested a briefing note	S Heywood	<p>An email was sent to the Chairman with an update on 16th November.</p> <p>Action completed.</p>

	outside of the meeting on the progress being made by the Capital Programme Management Board. Action		
	d) Page 29 with reference to the text reading <i>“The achievement of savings plans are tracked by departments but are not explicitly reported upon other than being referred to in the commentary on individual variances. The CFO recognised this as a potential weakness in control and has introduced a central ‘Savings Tracker’ for 2016-17”</i> The Chairman queried whether reference should be included in the future Integrated Resources and Performance reports.	S Heywood	An e-mail sent to the Chairman on 16 th November explained that the “Savings Tracker” was created to be a management tool to track progress of meeting the savings targets and to inform the Integrated Finance & Performance Report, but was not intended to be a part of the IR&PR. The officer offered to send the Chairman a copy of the Savings Tracker. Action completed
	e) Agreed there should be a joint report from Finance and BDO in January to analysis the learning points from this year’s accounts exercise.	I Jenkins. S Heywood/ BDO	This has been added to the Forward Agenda plan.
13.	MINUTE 248 STATEMENT OF ACCOUNTS		
	a) List of changes suggested / required to the Accounts as set out on page 13 of the Minutes.	I Jenkins	All the actions listed regarding requests for changes to the presentation listed in the minutes were completed in the update version provided for the extraordinary meeting Actions completed
	b) Page 131 – 132 - Notes to the Pension Fund Accounts – table – explanation to be provided to the Chairman to clarify the presentation of total values “Net Investment assets” in the table showing the reconciliation of movements in investments outside of the meeting. Specifically he had questioned whether presentation of the	R Perry	An e-mail was sent to the Chairman dated 7 th October from Richard Perry explaining that no amendment was been made to the disclosures as officers had discussed the issue with BDO and confirmed that the presentation follows the guidance provided by CIPFA

	lower part of the table which was not intended to add across could be reconsidered.		<p>and were unable to agree a meaningful amendment to the table that still meets the CIFPA guidance.</p> <p>To clarify, the total opening and closing balances and the total change in market value are the only columns required to be disclosed and to cross reference to other notes or statements in the accounts.</p> <p>Action completed</p>
14.	MINUTE 249. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST JULY		
	a) Page 301 - The Chairman requesting a more detailed explanation outside of the meeting regarding the last line entry on Learning Disability Young Adults City, South and East Localities and the text reading: “The remainder of the increase is due to the updating of spending commitments after loading packages onto an automated payments and recording system”	S Heywood	<p>An update at the Chairman’s briefing explained that the way the text had been written had been unhelpful as it could be interpreted that the remainder of the increase was a fault of updating to an automated system which was not the case.</p> <p>Action completed.</p>
	b) Page 318 - It was noted that the Transformation Fund which was for one off funding initiatives to make better savings was forecast to double in size as showing between the balance at July 2016 and March 2017. There was a request that in due course a report should be received to illustrate the effectiveness / benefits of the spend undertaken.	S Heywood	<p>At the Chairman’s briefing on 18th November in discussion it was agreed that the most realistic date for a report back would be to either the June or July 2017 meeting.</p> <p>Action ongoing</p>
15.	MINUTE 251 – AUDIT AND ACCOUNTS COMMITTEE ACTION LOG FROM MINUTES		
a)	4b) Bank Accounts – Progress on mapping 10 - Imprest Accounts to the General Ledger	I Jenkins	See 4b)

	The Chairman confirmed he still required an update in due course on progress following the completion of the Accounts work, which had had to take priority.		
b)	6. Minute 218 – b) Internal Audit Annual Report 2015-16 Anti-Fraud and Corruption - Alleged theft of cash from library safe		
	As the Internal Audit recommendations regarding updating the till in use had not been implemented, there was a requirement for an update as part of the next Internal Audit Progress Report.	M Kelly	See 6b)
c)	Minute 218 d) ensuring that where good practice had been identified in schools, this should be shared with other schools' head-teachers and governors.		
	The Chairman was not happy with the response as set out and would speak to Neil Hunter / Mairead Kelly outside of the meeting.	Cllr Shellens	Councillor Shellens to provide an oral update.
e)	11. Statement of Accounts		
	<ul style="list-style-type: none"> C) Page 10 Reserves Background - Note for Chairman on Comparative Figures of other counties. 	I Jenkins	The officers had undertaken research from various published data but would clarify with the Chairman at the Chairman's Briefing it was the type of information he was seeking.
	<ul style="list-style-type: none"> 2m) Page 108 Property Searches – Request for an explanatory note to be produced 	I Jenkins	<p>The explanation is as follows:</p> <p>This stems from the Local Land Charges (Amendment) Rules 2010, which came into effect on 17th August 2010. These abolished the fee charged by local authorities for personal searches of the Local Land Charges Register. The fee was deemed incompatible with the Environmental Information Regulations 2004,</p>

			<p>which required free access to environmental information.</p> <p>Subsequently several property search companies instigated legal proceedings against local authorities in England and Wales seeking refunds of fees paid between 2005 and 2010. The Council is part to these legal proceedings. The precise cost involved to the Council is still to be determined, hence a contingent liability has been recognised within the Statement of Accounts.</p> <p>The following disclosure has been made within the Accounts:</p> <p>A group of Property Search Companies sought to claim refunds of fees paid to the Council to access land charges data. The parties have reached agreement on the claims. The Council has agreed to pay the Property Search Companies legal costs to be subject to detailed assessment by way of costs only proceedings if not agreed. The Council is in discussions with the claimants about the costs aspect of the claim. At present it is not possible to put a final value on these potential liabilities and so the Council has instead recognised a contingent liability.</p> <p>Action completed</p>
	<ul style="list-style-type: none"> 2n) Page 109 – Text in 4th para from the bottom of the page reading: “The Authority’s maximum exposure to credit risk in relation to investments of £10.1m cannot be assessed generally <p>Further explanation on this was still required by the Chairman</p>	I Jenkins	<p>At 31st March, the Council had investments of £10.1m (the majority within a Barclays deposit account). Placing any deposit with a financial institution exposes the Council to credit risk (i.e. the risk that the institution might fail to repay the deposit or accrued interest due). The Council is required by the Code to explain the risks</p>

			<p>arising from such deposits and money market instruments. The disclosure within the Accounts goes on to say that the risk cannot be assessed in general terms because the risk will be specific to individual institutions, but at 31st March there was no evidence that the Council wouldn't get its money back.</p> <p>Action completed</p>
f)	<p>Minute 233 Internal Audit Progress Report b) Completed audit – C1 Domiciliary Care – missed and short late calls completed audit</p> <p>Agreed that an update should be provided in January as part of the Internal Progress report. The Chairman requested that this should be highlighted as being the case on the agenda plan.</p>	RVS	<p>Now included on the Agenda Plan.</p> <p>Action completed</p>
g)	<p>a) Page 27 – detailing the action being taken by the Council to address the causes of the significant capital expenditure slippage reported against the Capital programme during the year. In discussion the Chairman requested a briefing note outside of the meeting on the progress being made by the Capital Programme Management Board. Action</p>	S Hey-wood	See 12c)
h)	<p>b) Page 29 with reference to the text reading <i>“The achievement of savings plans are tracked by departments but are not explicitly reported upon other than being referred to in the commentary on individual variances. The CFO recognised this as a potential weakness in control and has introduced a central ‘Savings Tracker’ for 2016-17”</i> The Chairman queried whether reference should be included in the future Integrated Resources and Performance reports.</p>	S Hey-wood	See 12d)

Updated: 18th November

Appendix 1

The Centre employed 2 Nursery Officers to Education and Daycare and carried out induction protocols and settling sessions prior to their appointment. Whilst the individuals were logged onto the payroll they were not in active service prior to the DBS received, except in the case of one individual for whom DBS clearance had been notified to the Centre but the dispatch was never received by the employee. The DBS provider would not reissue and stated the individual had received the certificate as it had been dispatched, eventually the DBS was re-requested under a separate request following the advice of EPM. The assessor was shown the electronic notification the Centre received prior to the individual commencing employment but stated the document was required. Barred listings are only issued via EPM when a contract is issued.

The Centre was not aware a written risk assessment for employment was required as it is within the policy of employment that individuals who are not DBS holders are always supervised by a member of the senior team within the Education and Daycare. The Centre previously offered taster sessions, work experience, shadow trial sessions for potential individuals who may wish to train in, or take up an apprenticeship within education and daycare, however this has now ceased due to the findings of the assessor. In future, if the Centre chooses to offer a potential member of staff a retention incentive this will be noted on a risk assessment form. It was not the Finance Officer whose documentation was lost in the postal system as explained above.

The finance officer had previously been a volunteer at the Centre, with a current DBS and was training to assume the position following the resignation of the previous Finance Manager it was agreed with Governors that the Centre would honourably offer payment for the training period. This generated an EPM contact which triggered an employment start date, the volunteer DBS was still active but the Centre was aware there was no charge for a volunteer DBS and triggered payment to be made to ensure transparency.