

## Agenda Item No. 12

**TITLE**            **Internal Audit Progress Report**

**To:**                **Audit & Accounts Committee**

**Date:**            **24<sup>th</sup> January 2019**

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

### **1.                    PURPOSE**

- 1.1                To report on the main areas of audit coverage for the period 1<sup>st</sup> November to 31<sup>st</sup> December 2018 and the key control issues arising.

### **2.                    BACKGROUND**

- 2.1                The role of Internal Audit is to provide the Audit Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
- 2.2                The Committee is requested to consider the contents of this report.

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# **LGSS Internal Audit & Risk Management**

## **Cambridgeshire County Council**

*Update report*

*As at 31<sup>st</sup> December 2018*

## Section 1

# 1. FINALISED ASSIGNMENTS

- 1.1 Since the previous Progress Report in November 2018, the following audit assignments have reached completion, as set out below in Table 1.

**Table 1: Finalised Assignments**

No.	Directorate	Assignment	Compliance Assurance	Systems Assurance	Organisational impact
1.	Place & Economy	Cycle City Phase II	Grant Certification Provided		
2.	People & Communities	Troubled Families Grant	Grant Certification Provided		
3.	Cross-Cutting (CCC-wide)	ERP Gold Accounts Receivable	Interim Systems Assurance Report		
4.	Cross-Cutting (CCC-wide)	ERP Gold Accounts Payable	Interim Systems Assurance Report		
5.	Cross-Cutting (CCC-wide)	ERP Gold Debt Recovery	Interim Systems Assurance Report		
6.	Cross-Cutting (CCC-wide)	ERP Gold Bank Reconciliation	Interim Systems Assurance Report		

- 1.2 Summaries of the finalised reports with satisfactory or less assurance are provided in Section 4. This also excludes individual schools audits, which are reported collectively once all reviews have been finalised.
- 1.3 The following audit assignments have reached draft report stage, as set out below in table 2:

**Table 2: Draft Reports**

No.	Directorate	Assignment
1.	Cross-Cutting (CCC-wide)	Fees & Charges Policy and Compliance (incorporating findings of the review of Discretionary & Non

		Statutory Service Provision)
2.	People & Communities	Coram Cambridgeshire Adoption Contract
3.	Cross-Cutting (CCC-wide)	Payment Methods
4.	Cross-Cutting (CCC-wide)	Key Policies & Procedures
5.	Cross-Cutting (CCC-wide)	Impact of Price Quality Evaluation

- 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.

**Table 3: Internal Audit Investigations Caseload**

Case Category	Description of activity or risk example	No.	Outcomes
Investigations	FACT Investigation	1	Ongoing support to post-report process.
	Conflicts of Interest Investigations	2	Ongoing investigation work.
		2	Closed – no fraud.
	Whistleblowing Complaint	1	Closed – minor recommendations made.
		1	Ongoing investigation work
	Mileage and Expenses Investigation	1	Closed – minor recommendations made.
	Allegation of Theft	1	Closed – no theft.
	Allegation of Financial Abuse	1	Closed – referred to police.
<b>Totals</b>		<b>10</b>	

## 2.2 NATIONAL FRAUD INITIATIVE:

The National Fraud Initiative is a statutory data-matching exercise which matches electronic data within and between public and private sector bodies, to prevent and detect fraud. Cambridgeshire County Council is obliged to take part in this exercise, which is run by the Cabinet Office on a two-yearly cycle.

Work on collecting the required datasets has been led by the LGSS Internal Audit Counter-Fraud team. The following datasets were securely uploaded into the main NFI 2018/19 programme, and password protected via the Cabinet Office secure portal:

1. Finance; Creditors, Creditors Standing.
2. Pensions and deferred pensions
3. Transport; Concessionary Travel Passes, Residents Parking, Blue badges
4. Social Care; Private residential Care Homes, Personal Budgets
5. HR; Payroll including schools

The matches are expected to be received 31 January 2019. Results of the data-matching, which highlight “matches” (areas for further investigation by the Council) are expected in February 2019. Matches are rated ‘red’ and ‘amber’ to indicate high and low risk, and these ratings will be used to prioritise investigations. It is recommended that the Council review the high-risk matches, although it should be noted that typically these will include a number of ‘false positives’. Examples of the type of matches which may require investigation are given below:

Dataset	Example activity area
Residential care homes	Payments to private care homes by a council for the care of a resident where the resident had died
Personal budgets	Individuals claiming a personal budget who failed to declare an income or change of circumstances or were deceased.
Payroll	Employees working for one organisation while being on long-term sick leave at another or obtaining employment while not entitled to work in the UK.
Trade creditors	Traders who intentionally or unintentionally submitted duplicate invoices for payment.
Concessionary travel	Potential misuse of concessionary travel passes belonging to someone who has died.
Pensions	Individuals obtaining the pension payments of a dead person.

The Counter Fraud team will conduct initial sifting and forensic review of matches, to assess the value and the risk level of matches. The team will then work with the service areas and other participating bodies as appropriate to support investigations, make changes (including identifying savings or overpayments as appropriate), and maintain records of the investigations via the NFI portal. The team will target available resources towards matters where it appears financial adjustments are likely.

High-risk matters which are recommended for further investigation resource for will be referred for approval by the Section 151 Officer.

Section 3

### 3 **IMPLEMENTATION OF MANAGEMENT ACTIONS**

- 3.1 The outstanding management actions as at the end of September 2018 are summarised in Table 4 below, which includes a comparison with the percentage implementation from the previous report (bracketed figures).
- 3.2 There are currently 16 management actions outstanding. Of these, five actions are further proposed for closure to further audit follow-up, on the basis that they are substantially completed and/or due to service changes meaning the risk environment has changed since the audit was completed. Further detail on all outstanding actions is provided at Annex B.

**Table 4: Outstanding Management Actions**

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
<b>Implemented</b>	0	0% (0%)	33	67% (62%)	33	67% (62%)
<b>Actions due within last 3 months, but not implemented</b>	0	0% (0%)	2	4% (15%)	2	4% (15%)
<b>Actions due over 3 months ago, but not implemented</b>	0	0% (0%)	14	29% (23%)	14	29% (23%)
<b>Totals</b>	0		49		49	

Section 4

#### **4. SUMMARIES OF COMPLETED AUDITS WITH SATISFACTORY OR LESS ASSURANCE**

*No such reports have been finalised this quarter.*



## 5. OTHER AUDIT ACTIVITY

### 5.1 UPDATES TO THE INTERNAL AUDIT PLAN 2018/19

Internal Audit has experienced a number of pressures on the delivery of the Internal Audit Plan 2018/19, due to additional requests for Internal Audit work as a result of the changing risk profile. In order to accommodate these pressures within available resource, the Plan was reviewed and revised in August 2018, with changes approved by SMT and Audit & Accounts Committee in September.

Pressures on the Audit Plan have continued and are outlined below. In order to accommodate these pressures, revisions to the Plan are proposed.

#### 5.1.1 Updates to the Audit Plan

The following section outlines the proposed updates to the Audit Plan, reflecting the pressures placed on the Plan by additional work and proposed revisions to mitigate the impact of these:

##### **Pressures on the Audit Plan:**

- **Whistleblowing cases:** In November and December 2018, Internal Audit received a high level of whistleblowing referrals, with 5 separate concerns being raised with the service. All required initial investigation work, with a range of outcomes including: one audit investigation being commissioned; three cases where Internal Audit provided advice and supported the process of referring to the appropriate agencies; and one instance where an audit investigation alongside HR and the service manager was able to confirm that an alleged theft had not taken place.
- **Community Transport Investigation:** Additional work by Internal Audit continues to be required in responding to the findings of the PKF Community Transport investigation, providing assurance over the organisation's response including conducting audit work at the premises, and providing support to the Audit & Accounts Committee's review of actions.
- **Key Corporate Contracts:** Significant Internal Audit resource has been required to provide reviews of major corporate contracts and support to contract management arrangements. In particular, Internal Audit has been asked to provide support to the development of governance around the

Highways Contract, supporting the service in establishing the definition of actual cost with the contractor, and to conduct Open Book Review work as well as providing advice and support to the Waste Management Steering Group.

- **ERP Systems Assurance Work:** At the request of the Managing Director of LGSS and the Chief Executives and Section 151 Officers of the LGSS Client Authorities, the Internal Audit team undertook a series of reviews of the ERP system. The interim reporting on this work has now been completed, and further compliance testing is scheduled to take place on the ERP system in the last quarter of 2018/19 to inform the final reporting at the end of the financial year.

### **Proposed Revisions to the Audit Plan:**

Further revisions to the Internal Audit Plan for 2018/19 are necessary to accommodate the level of pressure that has been experienced in the current financial year.

- **Revisions to the IT Audit Plan:** Following a review and consolidation of IT Audit Planning across the three LGSS Partners, it has been possible to recommend expanding the scope of IT Audit coverage at Cambridgeshire, without a requirement to increase the number of audit days required. It is recommended that an additional review of IT Procurement is added to the Plan, and the existing 'Information Security Audit' be replaced by two more focused reviews, specifically examining Cybersecurity & PSN Compliance, and Information Technology Governance. If agreed, work on these reviews is planned to commence in January 2019.
- **Audits to be removed from the Plan:** The following audit reviews are proposed to be removed from the Internal Audit Plan 2018/19. They will be considered for re-inclusion in the preparation of the draft Plan for 2019/20:
  - **Procurement Governance** – As a significant number of audit reviews are being undertaken on high-value Council contracts, as well as ongoing procurement compliance reviews, assurance will still be obtained in this area.
  - **Special Educational Needs Placements** – It is proposed that this audit should be incorporated into the 2019/20 Audit Plan.
  - **Safeguarding Assurance** – It is proposed that this audit should be incorporated into the 2019/20 Audit Plan.

- **Project Assurance Reviews (x3)** – Pressures on the Audit Plan have resulted in delays to the proposed project assurance framework, which aims to create a formal process to provide assurance over high-risk projects. As these reviews will be of greatest benefit when the framework process is in place, it is proposed that these reviews can be delayed and incorporated into the 2019/20 Audit Plan.

ANNEX A

## CCC INTERNAL AUDIT PLAN 2018/19

### Summary of Progress:

Total Completed Audits	26
Total Audits at Draft Report Stage	5
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>	12
Total Open Audits	26
Total Not Yet Opened Audits	15

### Full Audit Plan:

Audit Title	Status	Quarter Opened	Quarter Closed
<b>Cross-Cutting and Council Wide Audit</b>			
Agency Staff Compliance	Open	2	
EU Procurement Regulations	Open	2	
Procurement Compliance	Open	1	
Unannounced Visits	Closed	1	3
Impact of Price & Quality Evaluation	Open	3	
Development of Project Assurance Framework	Open	2	
Project Assurance of High Risk Projects (1)	Open	3	
Project Assurance of High Risk Projects (2)	Cancelled	N/A	N/A
Project Assurance of High Risk Projects (3)	Cancelled	N/A	N/A
Project Assurance of High Risk Projects (4)	Cancelled	N/A	N/A
Development of Project Management Framework	Open	2	
Management of Consultants and Interims	Closed	1	3

Financial Planning, Demand Mgt and Control	Not Started		
Payment Methods	Draft	3	
Ely Bypass Review	Open	1	
Key Performance Indicators	Open	1	
Corporate Key Performance Indicator Framework	Not Started		
Discretionary and Non-Statutory Service Provision and Expenditure	Draft	2	
Fees and Charges Policy and Compliance	Draft	2	
Annual Key Policies and Procedures Review	Draft	3	
Directorate Performance Management	Open	1	
Grants to Voluntary Organisations Compliance	Open	3	
Grants to Voluntary Organisations Framework	Closed	1	2
Procurement Governance	Cancelled	N/A	N/A
Annual Whistleblowing Policy Report and Awareness	Open	3	
<b>People &amp; Communities Directorate</b>			
Contract Management of Residential and Nursing Care Providers	Open	1	
Direct Payments Compliance	Open	2	
P&C Contract Management	Draft	2	
Troubled Families Grant 18-19	Ongoing	All year	N/A
Schools Payroll & Safe Recruitment 18-19	Cancelled	N/A	N/A
Personal Budgets	Open	1	
Fostering Service	Open	1	
Special Educational Needs Placements	Cancelled	N/A	N/A
Annual Safeguarding Assurance	Cancelled	N/A	N/A
<b>Economy, Transport &amp; Environment Directorate</b>			
Transport Contract Management	Open	3	
Section 106 Funding	Open	3	
Highways Contract Open Book Review 18-19	Closed	1	2
Highways - Commercial Group	Open	2	
Highways – Contract Review	Open	2	
Waste Management Steering Group	Ongoing	All year	N/A
Street Lighting PFI Open Book Review 18-19	Open	3	

Waste PFI Open Book Review 18-19	Not Started		
Local Transport Capital Block Funding	Closed	1	2
Growth Deal	Closed	1	2
Bus Services Operators Grant	Closed	1	2
Pothole Action Fund	Closed	1	2
Cycle City Phase II Grant	Closed	1	3
National Productivity Fund	Closed	1	2
Safer Roads Funding	Closed	1	3
Procurement Transport Project	Closed	1	2
P&E Partnership Services Cost Recovery	Open	1	
Innovate UK - Smart Cambridge Grant	Closed	2	2
Flood Damaged Roads	Closed	2	2
Cambridgeshire Challenge Fund (Drought Damaged Roads)	Closed	2	3
SWIM Project	Closed	1	2
<b>Public Health and Corporate &amp; Customer Services Directorates</b>			
Public Health Contract Management	Closed	1	2
Broadband Grant	Closed	1	1
Public Health Grant	Closed	1	1
<b>Key Financial Systems</b>			
Accounts Receivable	Not Started		
Purchase to Pay	Not Started		
Payroll	Not Started		
General Ledger	Not Started		
Bank Reconciliation	Not Started		
Treasury Management	Not Started		
Administration of Cambridgeshire Pension Fund	Not Started		
Financial Systems IT General Controls	Not Started		
ERP Assurance - Accounts Receivable	Closed	2	3
ERP Assurance - Accounts Payable	Closed	2	3
ERP Assurance – Debt Recovery	Closed	2	3
ERP Assurance – Bank Reconciliation	Closed	2	3
Risk Management Audit	Not Started		
<b>Governance &amp; Risk Management</b>			
Risk Management	Ongoing	All year	N/A

Annual Governance Statement-Code of Corporate Governance	Ongoing	All year	N/A
<b>Information Governance &amp; IT Audit</b>			
Information Security	Not Started		
Response to Information Security Incidents	Open	1	
Controls Review of Critical Systems	Not Started		
ICT Disaster Recovery	Not Started		
<b>Anti-Fraud and Corruption</b>			
Fraud Investigations 17-18	Ongoing	All year	N/A
Community Transport Investigation	Open	1	
Community Transport Tender Review	Closed	2	2
Whistleblowing Complaint	Closed	1	2
Declarations of Interest Investigation	Open	1	
Mileage & Expenses Investigation	Closed	1	1
National Fraud Initiative	Ongoing	All year	N/A
<b>Other Planned Work</b>			
Advice & Guidance	Ongoing	All year	N/A
Freedom of Information Requests	Ongoing	All year	N/A
Follow-Ups of Agreed Actions	Ongoing	All year	N/A
Audit Plan	Ongoing	All year	N/A
Committee Reporting	Ongoing	All year	N/A
Management Reporting	Ongoing	All year	N/A

ANNEX B

## Summary of Outstanding Recommendations

(Recommendations as at the end December 2018).

Audit	Risk level	Summary of Recommendation	Target Date	Status
<b>Client Contributions</b>	I	<p><b>Deferred Payment Agreements</b></p> <p>The Service Delivery Manager Financial Assessments should ensure that all of the following staff are aware of the process for securing deferred payment agreements:</p> <ul style="list-style-type: none"> <li>• Social Workers</li> <li>• Financial Assessments Team members</li> <li>• Debt Team members</li> </ul> <p>If officers are not aware of relevant deferred payment agreements processes there is a risk that opportunities to secure debt recovery will be missed.</p>	30/09/17	<p>The service reported the development of mandatory Care Act management training for all new employees involved with deferred payments has been completed. They have also reported that all Financial Assessment staff have all be made aware of the proper process and that Care Team staff have had general over-view financial assessment training sessions.</p> <p>They have included the deferred debt training within the wider training for financial assessments, which is delivered to Financial Assessment Team staff and Social Care staff, on a request basis. Due to a period of high staff turnover, this had not yet been rolled out for the debt team, but are currently working with the team to arrange a training session and aim to have this completed by 15/02/2019.</p> <p><b>Internal Audit propose to close this action, on the basis that it has been substantially completed.</b></p>
<b>Information Security Culture</b>	I	<p><b>Information Security Incidents</b></p> <p>The Information Governance team should amend the incident report template to ensure higher-risk actions resulting from security incidents are followed up and</p>	31/12/17	<p>The Draft Audit Plan for 2018/19 includes a review of service responses to information security incidents. This audit is now underway and will provide a clear view of whether this action</p>



		<p>reviewed to ensure completion.</p> <p>The team should also amend the Information Security breach procedure, to include a formal escalation process to the IM board actions to prevent further incidents have not been completed.</p> <p>If there is no follow-up and actions are not completed, there is an increased risk that security incidents may happen again.</p>		<p>has been implemented and any further actions required. The audit work is expected to be completed in the next month.</p> <p><b>Revised target date: 31<sup>st</sup> January 2019</b></p>
<b>3rd Party Assurance</b>	I	<p><b>Contracts do not have third party assurance requirements</b></p> <p>Officers responsible for commissioning high-value contracts with suppliers who are likely to hold or process large volumes of personal data, should consider including in their specifications that the Council must be provided with appropriate third party assurance over the security of systems. IT and Procurement officers should be aware of the possibility of including these requirements in specifications, and provide advice and guidance to officers commissioning such contracts.</p>	31/05/18	<p>The Business Intelligence Manager confirmed work is progressing on this recommendation but that it is proving more resource-intensive and taking longer than originally anticipated. He currently anticipates that the work should be completed by February 2019 (dependant on resource levels).</p> <p><b>Revised target date: 28<sup>th</sup> February 2019</b></p>
<b>Schools Payroll &amp; Safe Recruitment</b>	I	<p><b>Review of CCC Contracts with External Payroll Providers</b></p> <p>Internal Audit recommended a review of CCC's contracts with the external providers of payroll services to maintained school, to assess the requirements relating to the provision of third-party assurance over integrity of payroll systems.</p>	30/06/18	<p>A meeting with external payroll provider EPM to discuss the recommendation has been arranged for the 16<sup>th</sup> January after it had to be postponed previously. The contract renews in April 2019.</p> <p><b>Revised target date: 31<sup>st</sup> March 2019</b></p>
<b>Business Intelligence Continuity</b>	I	<p><b>Business Intelligence Service Plan and Team Work Plans</b></p> <p>The Business Intelligence Service Plan should be reviewed to include how the Service aims to reduce silo</p>	30/06/18	<p>There have been significant changes to the team since this audit. In the early part of 2018, Corporate and Customer Services as a directorate started exploring synergies between</p>

		working and overdependence on specific individuals and plans for cross-skilling members of the team.		CCC and PCC in the areas of business intelligence / analytics and systems.
I		<b>Workforce Development Plan and Procedure Notes</b> A shared workforce development plan to be produced across the service. Procedure notes to be produced for key tasks in the Research and Internal Information teams, in particular any tasks which are undertaken by a single individual or are subject to significant time pressures.	30/06/18	This developed into consideration of a shared service in Summer 2018. The proposals were approved by the Shared Services Programme Board, and Tom Barden took over as Acting Head of Business Intelligence in CCC and PCC from 3 September 2018. The service also moved into a new directorate (the Business Improvement and Development directorate) at the same time, and is working with Amanda Askham, the new director, to develop the strategic direction of the new directorate and reflect on how that impacts our service and development objectives.
I		<b>Staffing Coverage in the Business Continuity Plan</b> Staffing to be included in the service's Business Continuity Plan, including detail of how the service will continue to provide services during periods of time where large numbers or key members of staff are unavailable. The plan should identify potential key points of failure, with a focus on any statutory services or work which affects statutory services.	30/06/18	This has resulted in a set of development objectives for the shared service, which address the issues about resilience and sustainability and explore how this will work in several key test areas. The service is now creating a 'Phase 2' development plan, which will allow more alignment of systems, tools, processes and people (acknowledging dependencies on IT especially), e.g. a common reporting architecture. This phase 2 plan will bring CCC and PCC approaches into alignment and form a cross-service plan.
I		<b>Written Prioritisation Framework</b> A formal written prioritisation framework to be produced as part of service planning. This will clearly identify what work constitutes planned 'Business As Usual' work and the capacity required to complete this; how the service will prioritise requests for additional work from commissioners and the process of approving new work to be taken on; and how the team will identify work which can be cancelled or delayed if high-priority additional work is identified and there is not capacity to complete this as well as other planned work.	30/06/18	In the meantime, teams are maintaining their usual work planning approaches (where they are not under development as part of the shared service, e.g. in education).  <b>Internal Audit propose to close these actions,</b>

				<p><b>on the basis that the changes to the service mean that the actions are no longer fully aligned to current service priorities, and the development work taking place as part of planning for the new shared service is planned to cover the same improvement areas identified by the audit review.</b></p>
<p><b>Direct Payments Compliance</b></p>	I	<p><b>Monitoring done by Direct Payment Support Services</b> The role of the Direct Payment Support Services in relation to the type and frequency of monitoring they carry out on accounts must be clarified.</p> <p>Direct Payment Monitoring Officers should monitor a sample of trackers with the relevant invoices to ensure Purple/Penderels are paying out money in accordance with the service user's Care and Support plan.</p> <p>Risks: • Service users could misuse their money without detection • The Council may not be getting value for money from their chosen Direct Payment Support Service</p>	30/04/18	<p>The Internal Audit team are now reviewing the direct payments contract processes as part of the 2018/19 Direct Payments audit review. This audit is expected to be completed within the next few weeks. Emerging findings are subject to change as audit work continues but currently it anticipated that this outstanding action will be incorporated into more up to date recommendations in this latest audit.</p> <p><b>Revised target date: 31<sup>st</sup> January 2019</b></p>
<p><b>Use of Consultants</b></p>	I	<p><b>Consultancy Policy</b> The Council's Consultancy Policy is out of date and no longer reflects current arrangements for procuring consultancy. Although new arrangements have been communicated to SMT/CLT, there is a need for the Policy to be revised and updated in line with the new arrangements, and to reflect key findings of this report.</p>	30/09/18	<p>The Consultancy Policy is in the process of being updated with HR and Procurement colleagues, to incorporate the issues outlined in the recommendations.</p> <p>The new policy is substantially complete, but cannot be finalised until the process by which Business Cases for consultancy expenditure will be formally approved is agreed. A process has been proposed, but further development is needed. It is anticipated this will be completed by</p>

				the end of the financial year.  <b>Revised target date: 31<sup>st</sup> March 2019</b>
<b>Deprivations of Liberty in Residential &amp; Nursing Settings</b>	I	<p><b>Backlog of cases</b> IA recommends that the team should develop a formal plan to monitor and address the backlog, including targets for the number of cases to be processed on a monthly/quarterly basis; a risk-assessed approach to prioritising backlog cases to be addressed; and formal progress reporting to senior management. Risk: Non-compliance with the Legislation</p> <p><b>Agreed Management Actions:</b></p> <p>a) The team is currently getting advice from the legal team on whether they can go ahead with their proposed plan of split of back log cases into 2 lists and to write back to the managing authorities to resubmit application for those clients which they think are deprived of their liberty.</p> <p>b) In addition to this, Internal Audit recommends that the team should develop a formal plan to monitor and address the backlog. This action included a range of requirements for the planning, including targets for the number of cases to be processed on a monthly/quarterly basis; a risk-assessed approach to prioritising backlog cases to be addressed; and formal progress reporting to senior management.</p>	31/12/18	<b>The service has stated this action is completed and has provided supporting evidence. As this is a complex area, at the time of reporting it has not been possible for Internal Audit to fully review the evidence provided and assess the completion of the action. this had yet to be reviewed by Internal Audit at time of reporting, but it is anticipated that this action will be closed.</b>
<b>EU Procurement</b>	I	<b>Lack of Committee Approval for Procurement Activity</b>	31/08/2018	<b>An update has been requested from the Assistant Director, Commissioning but had</b>

<b>Regulations</b>		<p>The Joint Commissioning Board should clarify with officers that they need to seek Committee approval in addition to Joint Commissioning Board approval for any contracts valued over £500,000 (i.e. 'key decisions' under the Council's Constitution).</p> <p>Internal Audit recommends that further awareness-raising work is undertaken to ensure that new officers within the organisation are provided with guidance and training on procurement process.</p>		<p><b>not been received at the time of this report. The intention will be to provide a verbal update to the Committee.</b></p>
<b>Archives Financial Management</b>	I	<p><b>Management Review of Controls</b></p> <p>In the absence of a separation of duties the Archives and Local Studies Manager (or someone else not involved in transactional processes) should perform periodic independent checks to confirm that:</p> <ul style="list-style-type: none"> <li>• Amounts originally recorded in till books are reflected in bank paying in books and ultimately the Archives service budget.</li> <li>• "Z" readings follow on sequentially</li> <li>• Explanations are provided for any significant variances between till "Z" readings and actual cash received.</li> </ul> <p>Where significant or recurring issues are identified the frequency of checks should be increased and controls strengthened as appropriate.</p>	30/09/17	<p>These checks unfortunately were not completed as planned, due to staff resource issues. The first check will now be completed by the 31/01/2019 and sent through to Internal Audit.</p> <p><b>Revised target date: 31/01/2019.</b></p>
<b>Social Media Use</b>	I	<p><b>Regulation of Investigatory Powers Act Policy:</b></p> <p>The existing Regulation of Investigatory Powers Act (RIPA) policy and guidance should, as soon as possible, be enhanced in respect of social media in order to reflect the contents of the letter from the Office of Surveillance</p>	31/03/18	<p>Legal have drafted a new joint RIPA policy and subject to a few tweaks that he has recommended they will then be sending it to the appropriate committees at each authority for sign off. At this stage they will publish it and draw attention to it at CCC. Also they have drafted a</p>

		<p>Commissioners, dated 20 March 2017 which specifically refers to the Covert Surveillance of Social Networking Sites.</p> <p>The policy and guidance should be made readily accessible to all staff by being re-instated on the CCC intranet.</p>		<p>very user-friendly RIPA toolkit to sit alongside the policy document. As recommended by the inspector, they will also be extending training for RIPA into areas which do not currently use it, such as children's social care, with particular emphasis on staff using information gathered from social media.</p> <p><b>Revised target date: 31/01/2019.</b></p>
<b>Information Governance Policies</b>	M	<p><b>Asset management policies and procedures</b></p> <p>A complete physical asset register, listing the council staff member responsible for the asset should be created</p> <p>If assets are not managed or lost there is a risk of data breaches occurring (and not identified) leading to reputational or financial damage.</p>	30/09/17	<p>There have been delays due to ensuring the ERP system is ready and ensuring that IT are fully involved. A review of the situation is needed to ascertain if system changes would be required. The Service has confirmed that a significant process and policy change within IT will be required.</p> <p><b>Revised target date: 31/01/2019.</b></p>
<b>Section 106</b>	M	<p><b>S106 Monitoring system records:</b></p> <p>The Internal Audit review identified gaps in the team's electronic S106 recording system. It was therefore agreed that, following the introduction of a new S106 monitoring system, every scheme should be subject to detailed review to establish that all of the electronic information relating to each scheme is complete and accurate.</p>	30/09/17	<p>The Team were hoping to purchase the Exacom software through the Transformation Fund but whilst developing the business case, the Capital Programme was identified as more appropriate. This funding has been agreed by General Purposes Committee in November 2018. Procurement of the system is commencing in January 2019. When procured, training and data migration will follow and the system will be live for use by the end of April 2019.</p> <p><b>Revised target date: 30/04/19</b></p>
<b>Client</b>	M	<b>Monitoring Take-Up of Direct Debits</b>	30/04/17	Direct Debit uptake will be added to the list of

<b>Contributions Payment Methods</b>		Regular monitoring of the take up of direct debit payments should be undertaken to identify if activities to encourage customers to pay by direct debit have been successful.		<p>proposed measures for the finance dashboard, to be agreed by management teams. This action was planned to be linked to the new online Direct Debit form being set up. The reports can now be run manually, and the performance dashboard is expected to be updated to include information on direct debit by the end of January 2019.</p> <p><b>Revised date: 31st January 2019</b></p>
<b>Safe Recruitment Compliance</b>	M	<p><b>Flag Overdue DBS Information:</b></p> <p>Internal Audit review identified that DBS checks which are recorded in employee files are not always also recorded on Oracle. To assist HR and managers in easily identifying any overdue DBS information, it was agreed that for all employees involved in regulated activities and who require an Enhanced DBS check, a flag should appear on ERP Gold until DBS information has been entered. This will reduce the risk that follow-up action to ensure all DBS checks are in place may not be undertaken.</p>	31/12/17	<p>HR are working with colleagues involved in delivery of ERP to try to progress this action. The latest update from HR stated that this recommendation is likely to be actioned by the end of the year.</p> <p><b>Revised target date: 31<sup>st</sup> March 2019</b></p>