

AUDIT AND ACCOUNTS COMMITTEE: MINUTES

- Date:** Thursday, 24th January 2019
- Time:** 2.00pm – 5.05pm
- Place:** Kreis Viersen Room, Shire Hall, Cambridge
- Present:** Councillors: P Hudson, N Kavanagh, M McGuire, T Rogers (Vice Chairman), M Shellens, (Chairman), D Wells and J Williams
- Apologies:** none

ANNOUNCEMENT FROM THE CHAIRMAN

Further to comments he had made at the previous Full Council meeting, the Chairman stated:

“To be unequivocally clear, that I had not, never have and do not contend that our budgets are criminally fraudulent and never intended to suggest that they were, nor were any of my words intended to reflect the views of the Audit and Accounts Committee”.

143. DECLARATIONS OF INTEREST

None.

144. MINUTES

The minutes of the meetings held on 22nd November 2018 were agreed as a correct record and signed by the Chairman.

145. MINUTES ACTION LOG

Updates and issues raised included:

Page 22 – Item 3a) Minute Action Log January 2018 - Training – ‘Running through details of a non-contentious project’ – A training session on Auditing projects had taken place before the current meeting and therefore action to provide more details on project management was now an **action completed**.

Page 23 – Item 6) Safer Recruitment in Schools Update – added to the list of meetings for the May Committee as the appropriate first date to meet the officer advice to receive a report around Easter. **Action completed**

Page 24 – Item 8). Minute 120 Internal Audit Progress Report – Deprivation of Liberty Safeguards – titled incorrectly in the Minute Action

Log as Deprivation of Liberty Standards – the latest update was in the Internal Audit report included later on the agenda and further updates on progress would be provided in future Internal Audit Progress Reports.

Page 25 –Item 10) 31st October Community Transport Report

On a) - Chairman to be informed of details of any breaches of FACT / HACT / ESACT licences – none had so far been identified requiring such a notification.

Page 26 Action 2 - Reasonableness of the charges levied on the commercial arms of the Community Transport Vehicle Fleets – a full written update was provided as part of the Community Transport Update report rather than as incorrectly stated in the log, as part of the Internal Audit Progress Report.

Page 26 - Action 3 - Chief Finance Officer to` review a random selection of legal documents – the action had been undertaken as detailed in the log and while the Chief Finance Officer's review had not experienced the same level of concern as the Chairman on the number of mistakes (mainly grammatical) found, there had been errors of some scale that he would be taking up with LGSS Law. The Chairman indicated that he would contact the Chief Finance Officer outside of the meeting regarding the action LGSS Law intended to take in terms of ensuring future enhanced checking procedures were in place.

Page 27 - Item 11) Petitions and Public Questions

- a) **Community Transport** - a response had been provided to questions raised in advance of the November Committee meeting by the Cambridgeshire Bus, Coach and Taxi Association in an e-mail dated 13th December which had also been brought to the attention of the Committee in an e-mail dated 8th January **action completed**.
- b) **Objection to the Accounts – additional information sent to the Chief Executive and the Committee from Mr Mason** – Democratic Services also passed this additional information to the Monitoring Officer and the Chief Finance Officer, the latter of whom had passed it on to Lisa Clampin at BDO (the Council's previous External Auditor lead) who was the appropriate person to review the additional information as part of her overall review on the objections already made. The Chairman orally reported that he was concerned with the length of time the review was taking, highlighting that it was impacting on the new External Auditor's work programme which had already been delayed from the current meeting to the next meeting. While he had been informed that the latest date that sharing the review findings was April, due to his concerns, he had made two calls to BDO seeking progress, but had so far not received a response. It was confirmed at the meeting by both the new External Auditor lead Mark Hodgson and Jon Lee, Head of Integrated Finance that they also had not received

any further update on progress. The Deputy Section 151 Officer understood talks had taken place between BDO and the Chief Executive but was not aware of the outcome.

Page 28 12. Minute 132 - Community Transport Action Plan

- A) **Action 40 - External officer to investigate inaccurate responses to Freedom of Information requests and for the Chief Executive to share the findings with Committee** – This was currently with the Chief Executive. The intention was to produce an action plan to be appended to the current Community Transport Plan in response to the recommendations in the report. **A full update was expected to be included in the March Report. Action: Mairead Claydon**
- C) **Geographical Eligibility to Community Transport** - Councillor Williams challenged the statement made at the previous meeting by another Member stating that South Cambridgeshire did not have a Community Transport provider. He clarified that this was incorrect as there were two community transport providers for South Cambridgeshire operated by Royston and District and three Counties. A further provider was currently being sought for the northern part of the district.

Page 30 Item 13 Minute 133 Use of Consultants

Item a) as an update it was confirmed that **the follow up review of compliance with the Policy for the quarter April to March would come back as part of the September Internal Audit Progress report. Action: Mairead Claydon**

Item b) Request from the Chairman for details of Strategic Management Team's (SMT) involvement including being provided with relevant notes regarding V4's appointment - as an oral update it was reported that the Chief Finance Officer had met with the Chairman the previous week explaining that only actions notes were recorded at Strategic Management Team (SMT) for the record, rather than formal notes, as Democratic Services did not service the meetings.

Item c) As an oral update to the Chairman's request for examples of items purchased at the £5k limit recorded in the transparency code, these had been provided by the Chief Finance Officer to him in the previous week.

Page 30 Issues Management Action Plan – Use of Consultants Policy – update on when the updated Policy Document would be presented to the Committee – as highlighted in g), that while the body of the Policy had been agreed, there were two key areas as detailed in the Action Log that required to be agreed with services. Depending on the resolution of these, **the Policy would either come back to the March or May Committee with updates on progress given if the final report was not available, as part of the Internal Audit Progress report. Action: Mairead Claydon / Sarah Haig**

Page 32 New Consultants Policy Document – page 85 – Connecting Cambridgeshire Workstream - with reference to the final sentence, second paragraph referencing payments to De Poel and the request for clarification of the issue outstanding at the November Committee meeting, as an oral update it was highlighted that the Committee had received an e-mail on 22nd January providing the response from Internal Audit stating as a clarification:

“that their initial response was incorrect and the arrangement was in fact made directly with De Poel, as the advice from Procurement was that this was the compliant route via the Professional Services Framework. The service state that the engagement was made via Peterborough City Council, who had previously appointed the same individual as a contractor, and it was considered that he had the right expertise and offered value for money. Due to a change in staff, no further information was provided regarding how the engagement via Peterborough was made. Internal Audit advised that the contract needed to be recorded on the Council’s Contract Register and expenditure needed to be correctly coded to the Council’s ‘Consultancy’ account code”. **Action completed.**

Page 35 – Minute 138 Internal Audit Progress Report

Item a) Systems assurance for ERP Gold – an oral update indicated that this would be reported back as part of the May (Annual) Internal Audit Report. As this was such an important issue for the accounts production and other areas of the council’s work, **the Chairman asked for a progress update to be included within the Internal Audit’s March Progress report. Action: Mairead Claydon**

Page 35 – Item c) Schools Payroll and Safe Recruitment - meeting update on meeting with External Payroll Providers to discuss the recommendations that had previously been postponed in September – the revised target date for implementation was 31st March. As this was after the March Committee **there was a request for a progress update to be included in the March Internal Audit Progress Report. Action: Mairead Claydon**

The Minute Action Log was noted with the updates on actions completed and as updated for additional actions as agreed at the meeting.

146. PETITION AND PUBLIC QUESTIONS

No Petitions or public questions were received.

147. STATEMENT OF ACCOUNTS PROGRESS UPDATE

This provided an update on progress of the planning for the 2018-19 Closure of the accounts and the production of the Cambridgeshire County Council Statement of Accounts.

It was highlighted that:

- Meetings had continued with EY (the new Council external auditors) to plan the audit work to deliver and audit the accounts effectively. As this was EY's first year as external auditors, it was to be expected that there might be some initial areas of clarification on aspects of the audit work in respect of EY's requirements, but currently no issues of concern had been identified.
- 2018/19 would be the first financial year that the ERP Gold system was being used. It was expected to help streamline the Accounts production, while also recognising that with any new system, there might be issues that had yet to be identified.
- Meetings with EY had already taken place to agree the data specification required to maximise the use of data analytics during the 2018/19 audit.
- Requests for specific information from EY had been received in relation to areas such as Treasury, Property Plant and Equipment and the opening balance, with information and documentation for several areas having already been provided. The outstanding areas at the time the report was written were identified as being 'This Land', Minimum Revenue Provision ('MRP') and Tax. As an oral update it was explained that Tax issues had been responded to, while it was hoped that 'This Land' would be responded to by the end of January and MRP by the end of the week.
- There was the suggestion of providing a 30 minute training seminar on a demonstration of the ERP gold accounts production tool in advance of the next meeting on 28th March. **Action: Jon Lee to discuss with Democratic Services** (Note suggest a Training session between 1.20 to 1.50 as there is a Pension Fund Committee in the morning in KV Room)

In discussion issues and questions raised included:

- whether there were any conflicts of interest in the same external auditors being used by all LGSS partners. It was explained that each authority had a separate engagement with a different audit partner and audit team. Even where some audit testing was carried out by the same external Audit teams, the data was still checked separately for each of the different council clients.
- Highlighting, in response to a comment from a councillor regarding whether the accounts would be on time this year, that they were only six days over the deadline the previous year, which was the first year the accounts had to be produced two months earlier in response to a new statutory requirement from Central Government. This had been a massive change in accountancy practice for local Government and

needed to be recognised as being very good performance compared with previous, recent years performance.

- That as both the new external auditor EY and the ERP Gold system were new in respect of the accounts auditing / production process, officers were asked to identify the biggest potential vulnerability. In reply, this was around the correct data being inputted into ERP Gold. Other theoretical risks included potential issues around property valuations and Financial Instruments that might be issued during the year requiring changes to the treatment of aspects of the accounts.

Having commented, it was resolved:

To note the report update.

148. LEVEL OF OUTSTANDING DEBT

This report updated the Committee on actions being taken to control and manage debt divided into Adult Social Care Debt and all other (Sundry) Debt.

The report provided details of the:

- Debt notices issued between 1st April 2018 and 31st December 2018 for all income types whereby at the end of December 12,500 notices had been issued chasing £52m of debt.
- debts over 1 year old and the debt recovery stage they were at.
- the percentage and value of invoices billed and cleared in 2018/19 showing that for all income types by value and volume, the majority of invoices raised during 2018/19 were being collected.
- the key performance targets.
- Debt over 90 days old at each of the three month ends covering the period from October to December. Whilst they showed that debt was still higher than the year-end target, recovery activity in quarter 4 was expected to further reduce debts by 31st March 2019.
- £4.5 m of debt was over two years old. While no irrecoverable debt had been written-off during 2018/19, cases were being prepared for the Section151 officer to review and approve the write off of debt to a value of £200k.
- As an update to the table in paragraph 2.1.3 showing the percentage number and value of invoices billed and cleared in 2018/19 for a period of eight month from April to November an oral update highlighted that for December invoices valued at £68m had been issued with £63m having been collected with the other £5m being actively pursued.

As previously requested by the Committee, the annual Chartered Institute of Public Finance and Accountancy debtors benchmarking club report was included as an appendix with the headline figures showing that for 2017/18 the level of CCC's debts compared well across the 17 Local Authorities that took part with their names being read out. (they included Bradford, Bristol, Darlington, Newcastle, Norfolk, Gateshead, Northampton Stockport

Warwickshire and Wigan) The Vice Chairman questioned the value of the benchmarking comparator data with this limited number and that many were based in the North and Midlands as opposed to the South East and East.

The issues highlighted and issues raised included:

- The cost of the debt recovery service provided by LGSS per £'000 billed debit was the second lowest. In response Members suggested that one of the reasons for this could be that the authority paid its staff less.
- 46% of CCC outstanding invoices were over 90 days old compared to an average of 62%.
- CCC had the highest percentage of credit notes at 13% compared to an average of 6%. This was seen as reflecting the quality of the billing teams and the technology that had been used. If an invoice was challenged leading to a correction, a credit note was issued. There was an expectation that the use of ERP Gold would lead to a reduction in this area. **There was a request in the next report back on providing more detail for the current high figure. Action: Head of Debt and Income: Bob Outram**
- On debtor days, for debts over 90 days old CCC performed well against the other Local Authorities, with Sundry debts at just 4 debtor days compared to the average of 13 and Adult Social Care debts at 49 debtor days compared to the average of 67.
- Staffing costs measured by £'000 per full time employee FTE were low for CCC compared to the average across all 17 Local Authorities that took part on the survey. Again Members suggested that this reflected the paycales used.
- During 2018/19, staff recruitment and retention had been a significant challenge for both the debt and income teams impacting on their ability to pursue debts. Vacancies advertised for permanent staff had not attracted sufficient numbers and calibre of applicants and therefore temporary interim staff were required to be employed supplied by Agencies.
- Section 6 listed the actions being taken to reduce debt.

Issues raised / responded to in discussion on the cover report and benchmarking appendix included:

- In response to a query regarding how confident officers were that the level of outstanding debt would be reduced further in the fourth quarter, factors included the unavoidable longer timescale required to chase Adult Social Care debt due the nature of the clients involved, and as a large percentage of corporate debt was seasonal, it was billed in the third or fourth quarter.
- Regarding the above, the Chairman asked when the year-end position would be known. This would be by Mid-April. **Action Head of Debt and Income Bob Outram to email the Committee on the position on outstanding debt when the mid-April position was known.**

- Asking the reasons for the difficulty in retaining staff. In reply this included:
 - the low pay scales compared to other authorities which was beyond the manager's control coupled with Cambridge being a very high cost housing area
 - people looking ahead and not wishing to move office to Alconbury
 - the three day closedown over the Christmas period whereby staff above a certain grade were forced to take this as unpaid leave. **In relation to this, there was a request that the Chairman on behalf of the Committee should ask the Chief Executive what feedback she had received from staff on the closedown and that this be reported back to Members.**

- It was orally reported that recently, staffing levels had increased following a concerted recruitment drive and with a new staff member starting the following week, one of the teams would be fully staffed for the first time for a long time. Other ways to encourage retention included the option to offer agency staff the choice of becoming a permanent appointment. The manager was currently working with HR regarding the possibility of undertaking a formal review of pay scales based on comparator authority pay structures.

In respect of the benchmarking report, responses to specific questions on the statistical tables included:

- Page 53 – there were no CCC figures for % of invoices and debt collected in 90 days as the previous oracle system could not produce this information. This was also the reason for similar missing figures on other pages.

- Page 58 the reason why sundry debtor invoices were higher than the average, was due to the value of NHS invoices. Some authorities did not have them.

Having considered the report:

It was resolved:

- a) To receive a further update at the March meeting on progress to be in the format of the previous report format submitted to the September meeting to include the results of HR discussions on the salary structure. *(Post meeting note: as the Head of Debt and Income left the authority within two weeks of the meeting and after consultation with the Chairman it was agreed that this report was moved to the May meeting)*

- b) That the Committee be sent by e-mail the updated Monthly listing of Outstanding Debt at month-end March 2018 – December 2018 and

Invoices Raised and Cleared 2018/19 some of which had been shared with the Chairman at the briefing earlier in the week.

149. ESTATES AND BUILDING MAINTENANCE INSPECTIONS

Further to a report at a recent Commercial and Investment Committee regarding the condition of a Council leased building that had not been maintained by a charity who then could not afford to carry out required repairs, with the result that the costs could fall back on the Council, concerns were expressed on the adequacy and frequency of the Council's property portfolio inspection programme. On a request from one of this Committee Members, the Chairman agreed to receive a report which detailed how all property assets were inspected.

The report for the Committee explained that Buildings owned by the Council or let out on short leases were inspected regularly, but schools and properties let on long leases (greater than 25 years), including schools let to Academy Trusts, were not. The Education Skills and Funding Agency were currently surveying academy schools. Inspections were the responsibility of the landowner e.g. the Council, but only for non-academy maintained schools.

The report highlighted that:

- Property services were responsible for carrying out building maintenance checks with corporate offices and libraries inspected annually. The Service did not inspect academy and other schools which like Non academy schools with devolved budgets, were responsible for their own repairs and maintenance. The Council had produced a Good Stewardship Guide to help schools. (provided as Appendix 3 to the report)
- The current inspection programme was shown at Appendix 1 with a sample condition survey report at Appendix 2 which detailed over five years the works that required to be carried out, with the most urgent, undertaken in the early years.
- 10% of schools were inspected annually. When last inspected the cost of the inspection programme for maintained schools was given as £105k. As C&I had requested that schools required inspections on a more regular basis, the best approach and identification of resource was being considered by Education and Property teams and would be reported back to a future meeting.
- Strategic Assets were responsible for Landlord and Tenant matters with inspections carried out by contractors as part of the asset valuation programme every 5 years and ad hoc inspections between.
- The County Farms estate was inspected by in-house surveyors via 5 yearly building inspections programme with ad hoc visits in between.

Councillor Hudson expressed disappointment with the report contents which had not provided the detail he had requested on seeing a first draft of the report and reading from the email sent to the Group Asset Manager on 12th December on what he considered required to be included as follows:

1. *“The list provided is by no means a complete list of all our assets i.e. schools number is much higher than the few listed.*
2. *The report to C and I recommends how our assets are to be monitored/inspected but an audit paper should be a list of those inspections giving dates of inspections carried out and scheduled inspections against each property. It should also include a brief summary of the inspection i.e. ‘all ok’ or ‘concerns with roof structure’ etc.*
3. *A table with inspection details could also include important information such as ‘rent due’ and then ‘rent collected’ and also ‘length of lease’ and/or ‘lease terms’ i.e. peppercorn rent, fully maintaining and insuring, current occupiers and uses etc.*
4. *An audit document on this could be very helpful in us understanding how all of our assets are being used/managed/maintained and the report to C and I should be a policy framework which A and A can judge how they are doing.”*

In response it was explained that lease information on rents and tenancy terms requested would be provided at the next meeting but would require to be in a confidential appendix due to the information being commercially sensitive.

Questions / issues raised included:

- Asking whether all inspections were logged in one central register for all council assets. The reply was that currently there no central record as the inspections as listed above were undertaken by different parts of the Council depending on who was responsible for the asset.
- The same Member highlighted that a system called K2 had been purchased six years ago at a cost of £160k to record assets and was not being used. In reply it was explained that it was currently being implemented and that asset information could be extracted from it.

It was resolved:

- a) To request a more detailed paper should come back to the March Committee setting out the detail of who was responsible for the different council assets and how they recorded the inspections carried out.
- b) The report should make recommendations on how the assets should be recorded and managed, taking account the suggestions made at the meeting.

- c) Councillor Hudson to make available his original e-mail to the officers and Chairman as a basis for the information being requested.

150. BREXIT IMPACT ASSESSMENT AND RESILIENCE PLANNING

This report presented by Adrian Chapman Service Director Communities and Safety (the recently appointed designated lead on BREXIT awareness), provided the Committee with details on this Council's and other partners' preparations for Brexit on 29th March 2019 when the United Kingdom (UK) was set to leave the European Union (EU). A slide show presentation was also given setting out the main highlights and is included as Appendix 1 to the minutes.

While the detail of the terms of the exit were still unknown, the Council was seeking to identify the potential impacts on the organisation, staff, and residents. An impact assessment had been created included as Appendix 1 to the report. It was recognised that it would require frequent review to ensure it was still relevant in what was a rapidly changing environment. This was reflected in the fact that a fee of £65 to charge those EU citizens living in the Country wishing to apply for settled status had already been withdrawn and also on the day of the meeting, the Polish Government was said to be encouraging its citizens to return home from Britain.

The draft impact assessment had been designed to cover impacts relevant to both Cambridgeshire County and Peterborough City Councils with officers planning for a no-deal scenario. The focus was on the immediate short term issues in the six months following the 29 March 2019 and potential impacts that the Council could seek to influence e.g. citizens' rights, rather than the likelihood of different scenarios, which were beyond the Council's control and did not cover areas which were the responsibility of national organisations e.g. Road blockages. In addition, work was also being undertaken with partners in the Cambridgeshire and Peterborough Local Resilience Forum (CPLRF) to consider potential Brexit scenarios in the context of partnership preparation. The Ministry for Housing, Communities and Local Government had viewed the Plan and stated that the Council's activities and plans were far in advance of many other Councils.

The impact assessment set out sixteen potential risks, with ten scored as having a potentially high or very high impact should they come about. All of the following had been scored as possible, likely or very likely to happen:

- Workforce issues associated with recruitment and retention of staff, both internal and those from within our commissioned services
- Ensuring our EU citizen residents are fully informed, but especially those who are vulnerable and/or to whom we have a statutory responsibility
- Community reactions, including increased community tensions
- Impact on our finances should there be a negative national financial reaction (e.g. extra Import Inflation)

- Interruption to supplies and services, including for example medicines and fuel supplies
- Impact on travel and road infrastructure caused by disruption to and from ports

It was highlighted that to respond to the developments that emerge over the coming weeks:

- a cross-departmental taskforce was being set up to develop a single shared plan to manage any Brexit impacts with a first meeting scheduled to take place in February.
- A communications strategy and plan (including a Brexit information webpage - *please click on the following link [web page](#)*) was being developed along with a community engagement strategy to help support the work and to promote the EU Settlement Scheme for EU citizens, as well as Council targeted work to support EU citizen employees.
- General Purposes Committee would monitor progress as part of the Corporate Risk register process.

In discussion there was a request that the website link should also be included on the Council's face-book page and other social media / communication channels. **Action: Christine Birchall Head of Communications and Information**

Councillor van de Ven speaking as a local Member expressed her thanks to the officers for the work currently undertaken which she had shared with her local MP, Heidi Allen. She highlighted her concerns to the Committee and officers regarding:

- a) The £1 Library Internet Fees should be waived to assist EU Nationals with on-line applications for Settled Status as, in Members' opinion, this should be seen in the same way as benefits and not charged for.
- b) School funding and the ability of headteachers to plan budgets as a result of the potential impact of post-BREXIT causing a rise in food and fuel prices.
- c) Potential fuel shortages impact on public transport, transport to schools and staff and pupils being able to travel to work / schools.
- d) The duty as a local authority employer to communicate to EU staff to reassure them around the work being undertaken to help with settlement, as well as issues around the rights of low skilled jobs earning under £30k, highlighting that their protection had been removed.
- e) What plans there were to deal with rising tensions in the community, highlighting that some children could be bringing to school some of the negative views expressed by their parents?
- f) BREXIT exacerbating long term rises in inequalities and their negative knock-on impact on public health.

In discussion other issues raised included:

- The need to clarify the voting rights of EU citizens in local and general elections.
- The potential impact on personal finances.
- Potential difficulties in paying Council Tax.
- While it was known some supermarkets were already stockpiling products, needing to know the position on medicines.
- Officers to consider factoring in to the risks timetable the risks / impact of a delayed BREXIT.
- That the updated Impact Assessment document should show against each identified risk the last date it had been updated.
- Asking why the loss of EU funding was not shown as a high priority. This was as the Plan concentrated on the first six months post BREXIT in which time the Government were guaranteeing continued funding.
- The need for all Members to have access to the report and slides. One Member suggested that this could be by way of an item on the next Member seminar, the next one being Friday in the following week.
Democratic Services to action. *Post meeting note: The Members seminar for 1st February was already fully booked. The proposal was therefore taken to Group Leaders where it was concluded the report and slides and background information should be made available on the Members bulletin.*
- Regarding the charge in libraries this would be taken up by officers and also by Councillor Hudson who would raise it with the relevant Chairman. **(Post meeting note: Christine May the Director with responsibility for Libraries was able to confirm following the meeting that EU nationals and others on benefits seeking to access Government websites, including information on obtaining settlement status, were already exempt from paying the Library computer access charge).**
- Asking when Library and other front line staff would be briefed / appropriately skilled to provide advice to EU nationals etc. Originally the intention was to be ready for March, but with the Government undertaking a beta test of the settlement scheme now, some Libraries were already offering an advice service on Settlement which would be rolled out to other front line staff such as social workers.

It was resolved that a further report should be presented:

- a) with a more detailed Impact Assessment document regarding identified risks showing each date the last title risk entry had been updated, and
- b) more detail on the issues highlighted at the meeting with where practicable, any proposed remedies.

151. INTEGRATED RESOURCES AND PERFORMANCE REPORT TO END OF NOVEMBER 2018

Members received a report that presented financial and business information to assess progress in delivering the Council's Business Plan which had been presented to General Purposes Committee (GPC) who had agreed the recommendations as set out on the front page of the report.

Performance Indicators

Members were reminded that further detail on the performance indicators set out on pages 132-135 was available at the link included at paragraph 2.3 on page 136 of the report. At the request of GPC, more commentary was now provided against each indicator set illustrated as pie charts. It was also highlighted that both the Economy and Environment and Highways and Community Infrastructure Committees had recently updated their performance indicators for relevance and practicality.

During the course of the discussion issues raised / responses provided included:

- clarifying the pie chart performance Indicator information covered the up to date position of the end of the month in question.
- Page 133 – 'Adults and Children kept safe' - the Chairman highlighted that while the performance indicator for the Number of Children with a Child Protection Plan had improved from 13.1% to 10.1% it was still double the 5% target. As additional information officers explained that as the outcome area was 100% off target GPC had received a further report.
- On the above, the Vice Chairman wondered if GPC were asking the right questions or querying such performance. The Chairman of the Health Committee who was also on GPC assured him that GPC were querying performance indicators where there was significant variance and that there had been considerable discussion at the meeting on this indicator. The Vice Chairman had concerns that the key pressures appeared to be the same over the last few reports. The Chairman of Health suggested he spoke directly to the Chairman of the Children and Young People's Committee regarding his concerns so that he could be briefed on the discussions and actions being taken at that Committee.
- Page 134 - the Chairman expressed surprise that the indicator titled 'the average journey time per mile' had not been measured since August 2017. It was explained that some of the measures were only measured on an annual basis and would not be available until the next Financial Year. The Officers would check on whether this should have read August 2018 and whether this would result in a larger change in the next report. **Action: T Barden**

- Page 134 – ‘Places that work with children help them to reach their potential’. – The Chairman highlighted that the main text read ‘worsening’ but the summary headline to the right of the pie chart stated that the indicator ‘stayed the same’ Officers accepted that this was not correct.
- Page 135 – The Chairman asked whether the text reading “The last indicator that remained off target was Pupils’ attending schools that are judged as Good or Outstanding (Special Schools). This indicator decreased from 87.0% to 93.1%” and should be shown as “increased”.
- Page 137 service users Public Engagement –the figure from ‘other contact centre engagement’ should have read ‘increased’ as opposed to ‘decreased’ as the figure was 5332 for November 2018 compared with 5316 for April 2018. It was explained that although higher than the base line, this was a one month blip but that the trend in the previous months and the overall trend since April has decreased.
- Page 155 – Smoothing Fund Line – Clarification on why this was showing as zero. As set out in the explanatory text, this was as a result of the allocation of £3.413m to the Children and Young People’s Budget during the year to deal with the identified budget gaps.

The report was noted

152 COMMUNITY TRANSPORT ACTION PLAN UPDATE

This report provided the Committee with an update on progress with the Community Transport Action Plan since the previous update at the November Committee. Of the 14 actions which had not been completed at the time of the previous meeting:

- 4 were ongoing actions, with no expected end date (29%)
- 3 actions had now been marked as completed (21%)
- 7 remained in progress (50%)

As a correction update on page 162 of Appendix 1 setting out the Community Transport Action Log Update the text on action 52 titled ‘Report State Aid Issue to the mayor in relation to the bus review’, this was dependent on action 30 and not 34 as stated in the text commentary.

The key issues highlighted were

- Internal Audit Visit to FACT, HACT & ESACT (FH&E):

Internal Audit visited FH&E on the 23rd November 2018 to confirm the processes for financial segregation between the commercial and charitable

arms of the organisation, including a review of charging for use of vehicles by the commercial arm. The detailed findings of Internal Audit were set out in Appendix 2 of the report. The weaknesses highlighted in the report had been accepted by the Trustees of FH&E, and their Chairman had confirmed that a number of short-term actions have already been put in place to strengthen the organisations' accounting systems as detailed in the report.

An e-mail response from Gary Christy Trustee and Chair of FACT, HACT & ESACT (FH&E) had been received by officers since the published report with an oral update highlighting that:

- The composition of the Board of trustees was undergoing significant change with a review of the six legal entities with the proposal that there would be one completely separate new charity organisation and a separate commercial organisation. The aim was to complete this by February.
- The roles of Treasurer and Secretary were currently vacant due to resignations and, in the interim, were being covered across the Board of Trustees. They were currently actively pursuing appointing new accountants and auditors.
- Membership Eligibility Criteria – to be implemented in April to all new members when they applied and existing members when they reapplied. The Chairman challenged this timescale as he believed the Committee had instructed that this should happen straight away. The Audit and Risk Manager clarified that this had been in relation to the circulation of the Data Protection Regulation Letter. (*Note: the Council's revised eligibility criteria had only been agreed at the 10th January Economy and Environment Committee*).
- An updated Privacy Policy had now been submitted to Council officers which was currently being reviewed by the Governance Team. As a result, the requested letter had not yet been sent out to their membership. The expectation was that it would now go out in a mail-shot in the week of 11th February.
- They had strengthened their cross trading transactions and implemented interest payments on loans and vehicle hire agreements between the not-for-profit organisations and the commercial trading entities.

Review of Public Funding:

The draft report from PKF had now been received, and discussed by senior management at a meeting on 15th January. From this meeting it had been concluded that it would need to be confidential, as some of the monies to be recovered involved the District Councils and negotiations would be commercially sensitive. The intention was that confidential updates on progress would be provided to the Chairman and Vice Chairman. As the need to negotiate reimbursement of monies should not be delayed, in discussion the proposal was that subject to the Monitoring Officer confirming that this would be constitutionally appropriate, it was proposed to delegate to the Section 151 officer in consultation with the Chairman and Vice Chairman

along with District Councils' Section 151 officers the authority to negotiate the sums to be reimbursed to the County Council and the relevant district councils.

East Cambs Connect Contract:

Internal Audit has identified that due to an oversight, the ESACT contract for provision of the East Cambs Connect service had not been re-tendered at the same time as the other contracts. The current contract expired in 2022 and required six months' notice to break, which had now been given. Evaluation of the Total Transport project has taken place, and the contract would therefore be re-tendered, with an expected start date in July. The new contract would require the service provider to operate with a full PSV Operator's Licence ("O Licence"), and would ensure that all commercial transport providers to Cambridgeshire County Council were operating under an O License or taxi license.

External Officer Review of Freedom of Information (FOI) Requests:

The full detail of the independent review including recommendations and proposed action was to be reported to the Committee's next meeting in March and in the interim, updates were to be provided to the Chair and Vice Chair of the Committee to evidence progress.

It was resolved

- a) To note the progress with Action Plan as set out in the report and in the subsequent oral update.
- b) That, subject to confirmation on it being appropriate in respect of the Council Constitution, to delegate to the Section 151 Officer in consultation with Chairman and Vice Chairman of the Committee the authority to negotiate along with District Councils' Section 151 officers the sums to be reimbursed to the County Council and the relevant district councils.

153. DRAFT WHISTLEBLOWING POLICY AND MANAGER GUIDANCE DOCUMENT

Further to the draft documents submitted to and commented on at the November Committee, this report provided revised Whistleblowing Policy and Whistle Blowing Manager's guidance documents. They had both been updated to include the suggestions made at the said meeting and had subsequently been approved by Strategic Management Team and as this Committee was now responsible for the Whistleblowing Policy and guidance documents the report sought approval to them.

In response to a question regarding what was the position received a whistleblowing complaint they should also follow the procedures as set out in the policy.

With reference to the first section 5.4 of the policy and the first two lines reading “The Council will send an acknowledgement of receipt of concern within a couple of days and will then write to the person raising the concern within 7-10 working days” the term couple of days should be changed to read two working days. The Committee endorsed this change.

Subject to a change of wording in paragraph 5.4 of the Policy and any change needed with reference to it in the Manager Guidance document,

The Committee resolved:

to approve the revised Whistleblowing Policy and Whistleblowing Manager’s Guidance document.

154. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit progress report was received by the Committee providing details of the main areas of audit coverage for the period 1st November to 31st December and the key control issues that had arisen.

Table 1 in Section 1 titled ‘Finalised Assignments’ set out the completed audit assignments with table 2 the audit assignments that had reached draft stage.

On page 196 number 5 of the draft assignments list the assignment reading “Cross Cutting (CCC wide) – Impact of Price Quality Evaluation”. In response to a query it was explained that this was where the Council undertook procurement was where a higher price bid could be accepted if it could be justified on higher quality grounds than a lower price bid received.

Section 2 listed brief details of Current Internal Audit fraud and corruption investigations and provided an update on the National Fraud Initiative including the Data Matching exercise review of policies and procedures expected at the end of January with highlight matches in February. The latter would be areas for further investigation, as detailed in the report.

Section 3 set out the implementation of management actions with table 4 summarising those outstanding. Section 4 - the summaries of completed audits with satisfactory or less assurance - was blank as no audit reports had been completed which only had a satisfactory or less rating. Section 5 ‘Other Audit Activity’ updated the Committee on the pressures on the delivery of the Audit Plan with details provided on the following:

- Whistleblowing cases
- Community Transport Investigation
- Key Corporate Contracts
- ERP Systems Assurance work.

Proposed revisions recommended to be agreed were in relation to:

- The detail on revising the Internal Audit (IT) Audit Plan as set out on page 202.
- Removing Audits from the 2018-19 Plan in respect of the following for re-consideration in the preparation of the 2019 -20 Audit Plan:
 - Procurement Governance
 - Special Educational Needs Placements
 - Safeguarding Assurance
 - Project Assurance Reviews.

An explanation was requested regarding the proposal to delay the Safeguarding Assurance Review as this was a sensitive area for the Committee. It was explained that this was a normal review of policies and procedures and that nothing had been alerted that suggested this review was required to be undertaken any earlier than was now being suggested.

Annex A on pages 204 to 207 detailed the summary of progress against the 2018-19 Audit Plan.

Annex B set out the detail of the outstanding recommendations. Issues raised by Members on this section included:

- Page 208-209 - seeking and receiving assurance that 'Information Security Culture' would still meet its revised target date of 31st January and there would be an appropriate update at the March meeting. The latter applied to all those with a target date of 31st January. All confirmed outstanding actions are reported on every audit progress report
- Page 209 Third Party Assurance target date 28th February - while it was hoped this target date could be achieved, it was dependent on resources.
- Page 209 Schools Payroll and Safe Recruitment – there was a request for an update regarding the meeting with the external provider EPM to discuss the provision of third party assurance on the integrity of payroll systems. The recommended assurance had not yet been received. The Chairman volunteered to intervene if this would be considered helpful.
- Page 213-214 – Regulation of Investigatory Powers Act Policy (RIPA) - clarification on the text on page 214 that this should have read that the training regarding social media should be to those who used RIPA.
- Page 214 – Section 106 monitoring system records – in answer to how many Section 106 agreements the Council undertook, it was over 2,000.
- Page 215 Safe Recruitment Compliance – the Chairman expressed concern at the statement reading “HR are working with colleagues involved in delivery of ERP to try to progress this action”. While it was noted that the revised target date was 31st March as this was after the date of the next Committee, the March IA Progress Report should provide a progress update as this was such a sensitive area. **Action: Mairead Claydon**

It was resolved:

- a) To note the report.
- b) To remove the following from the 2018-19 Audit Plan for re-consideration in the preparation of the 2019 -20 Audit Plan:
 - Procurement Governance
 - Special Educational Needs Placements
 - Safeguarding Assurance
 - Project Assurance Reviews.

155. FORWARD AGENDA PLAN

The Committee received its forward agenda plan for noting to be updated for changes agreed earlier in the meeting.

It was resolved to note the forward agenda plan.

CHAIRMAN