

TITLE Internal Audit Progress Report
To: Audit & Accounts Committee
Date: 24th November 2020
From: Duncan Wilkinson, LGSS Chief Internal Auditor

1. PURPOSE

- 1.1 To report on the main areas of audit coverage for the period to 6th November 2020 and also attaches the scheduled Risk Management Update.

2. BACKGROUND

- 2.1 The role of Internal Audit is to provide the Audit & Accounts Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
- 2.2 Cambridgeshire County Council (CCC) Joint Management Team (JMT) considered this report on 19th November 2020 prior to its submission to the Audit & Accounts Committee on 24th November 2020.

3. RECOMMENDATION

- 3.1 The Committee is asked to note and comment on the report

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LGSS Internal Audit & Risk Management

Cambridgeshire County Council

Update report

As at 6th November 2020

Section 1

1 INTRODUCTION

- 1.1 Following the outbreak of the Pandemic it was decided to pause the agreed 2020/21 Audit Plan and to fully align resources to risks being managed by Cambridgeshire County Council, consistent with the service's Business Continuity Plan.(BCP). This has been achieved by increased consultation and direction by the Council's Deputy Chief Executive and Chief Financial Officer.
- 1.2 During the first quarter, the team completed the reporting of the 2019/20 internal audit plan and the annual Chief Internal Auditor opinion was confirmed in the Internal Audit Annual Report and the Council's draft Annual Governance Statement.
- 1.3 Work in the first few months of this financial year was more reactive to risks and emerging issues and also more of a probative nature e.g. spend analysis as transactions are processed through ERP. Although this is a rapidly moving environment, the internal audit team is slowly reverting to a more structured work-plan for the remainder of the year although it is obvious that Covid-19 will continue to directly affect the focus of this work. Essential areas of focus will be assurances on the key financial systems.
- 1.4 To date, there has been a significant amount of work directed towards daily spend transactions and contract management as the pandemic directly impacts those areas of control and that work will augment assurances that these key financial control systems continue to work effectively during this period.
- 1.5 At the start of this Pandemic there was a request that colleagues across the Council be deployed to those areas of greatest need. Accordingly, internal audit colleagues were seconded to support corporate/community priorities as follows:
 - Principal Officer Seconded to Income for a total of 21 days
 - Associate Auditor Seconded to Addenbrooke's Hospital for a total of 13 days

In addition, the team seconded an associate auditor to the income team and that has recently become a permanent move, resulting in another vacancy for the team to fill after this period has ended. In November 2020 a temporary six month secondment was also agreed with a member of the team to work within a partner LGSS Authority.

- 1.6 Section 2 of this report summarises where the remaining resources have been deployed to date. When the Audit Plan was paused, the business continuity arrangements dictated that the normal granularity of detail supporting resource allocation was suspended however, Section 3 of this report gives a more detailed overview of the work undertaken and the current Plan proposed for the remainder of the year (and slightly

beyond) is attached at Appendix A.

2 INTERNAL AUDIT RESOURCES

- 2.1 As outlined above, the original 20/21 Internal Audit Plan (circa 1,750 days) was paused in accordance with business continuity procedures and the team has been deployed to the areas of greatest need.
- 2.2 In reality, the work of the team is still being significantly impacted by the rapidly changing environment and it is envisaged this will continue forward for the foreseeable future.
- 2.3 Indeed, the Plan originally presented to Joint Management Team (JMT) in early September and resubmitted by the Chief Internal Auditor in mid-October has already been significantly updated in those elapsed three months. Consequently the opportunity has been taken to consult with the Chief Finance Officer and Head of Finance to ensure that the Plan reflects current areas of risk.
- 2.4 It should be noted that the Plan recommended for approval at Appendix A currently stands at 2037 budgeted days of resource as opposed to the generally agreed annual commitment of 1750. This allows for some flexibility should planned work need to be rescheduled due to organisational service pressures but will also ensure that the audit team has a medium term indicative plan and work-streams that will stretch into the 2021/22 financial year.
- 2.5 It is expected that new 'risks' will emerge throughout 'normal' yearly cycles and it is especially so this year. This is the reason why the Plan is submitted to JMT and the Audit & Accounts Committee each quarter for challenge and direction, ensuring that resources are targeted towards those areas of highest organisational need. The internal audit team has regular meetings with colleagues in the organisation and endeavours to be responsive should requests for unplanned work be made.
- 2.6 The caveat to this flexibility is that the Chief Internal Auditor must be satisfied that the work completed in the year is sufficient and appropriate to support the annual audit opinion. This year work to date is on target to ensure an evidence based opinion can be given however the key financial systems will need to be given priority in the final quarter.
- 2.7 Section 3 gives more detail of the type of work being undertaken, however progress to date is in line with the commissioned 1750 days.

3 SUMMARY OF WORK UNDERTAKEN IN THE PERIOD

- 3.1 The Pandemic impacted immediately upon the Council, with business as usual making way for a new and unknown set of challenges, requiring an urgent review of risk management and the necessity for decisions to be taken quickly, often as a direct result of Government directives.

3.2 Internal Audit responded quickly to these challenges by increasing assurances on key areas, such as spend, risk management and supplier relief as well as supporting directorates in developing processes and proportionate governance in new areas.

3.3 Recurring & Ongoing Covid-19 Assurances

3.3.1 Daily Spend

Following the work undertaken on daily spend between April – August 2020, Internal Audit has undertaken a review on spend over £20k to provide assurance that goods and services were procured according to the Council's Contract Procedure Rules during the COVID-19 pandemic. This review is currently being finalised and will be reported to JMT and committee at a later date.

3.3.2 Procurement Policy Note (PPN) 02/20 – Supplier Relief

The end date for the PPN 02/20 and subsequent PPN 04/20 Supplier Relief was 31st October 2020. Throughout the relevant period the audit team were responsible for recording and monitoring claims throughout the process and, where relevant, assessed applications to support contract managers. The Head of Internal Audit at CCC sat on the panel to recommend acceptance/ rejection of applications. The next stage of this work will be undertaken through retrospective open book reviews to give assurance that the additional spend claimed by suppliers as a result of Covid-19 has been spent in line with the terms agreed through the PPN 02/20 process or equivalent contract variation.

3.4 Highways Contract Open Book Review

Following the initial Highways Service Contract Review undertaken by internal audit, the team was requested by the service to assist with undertaking the reconciliation of payments made by the Council to costs incurred by the contractor, in order to allow for the open book review to be undertaken by Internal Audit.

In February 2020 the contractor confirmed that, in their process of validating the reconciliation, they had identified a significant overpayment which was repaid to the Council via a credit note.

The Executive Director P&E has advised that he has escalated the Council's concerns and has written to, and met with, the Managing Director of Skanska UK. The contractor has now given assurances to the Executive Director that the remaining information required to complete the reconciliation (s) for the 4 financial years up to and including 2019/2020 will be submitted by 27th November 2020. Once this stage has been completed, the detailed open book review can commence.

The Audit and Accounts Committee has requested that the service attend the meeting scheduled for 24th November and give an update on the latest position.

For ease, the service has requested that their update is an appendix to this report. In that it contains business sensitive information, the appendix, Appendix C, has been classed as confidential / exempt and has only been made available to the Committee. Any discussion of its detail will need to involve excluding the press and public and should be taken at the end of the item after discussions on the other sections of the report have concluded.

3.5 Grants/Loans

Internal Audit was requested by the S151 Officer to help produce an effective and proportionate governance process to underpin grant/loan arrangements whereby the Council supports early year's centres during the Covid-19 pandemic. The Principal Auditor attended a workshop to develop a scoring matrix in which grant applications are assessed against and moving forward the Head of Audit or Principal Auditor sits on the weekly decision Panel.

3.6 Procurement Waivers

Internal audit was asked by the Head of Procurement (supported by S151 Officer) to review a recent increase in waivers. The main concern was the legitimacy of these and the extent to which they can be supported as necessary due to Covid-19 pressures. This compliance work has now been completed and the final report (issued September 3rd) has provided good assurance that the correct process for waivers has been followed in line with Contract Procedure rules, with a particular focus on assessing the legitimacy of any Covid19 causal factors stated in waiver documentation.

3.7 Feeder systems

To support the daily spend work and give greater assurance on payments made by the Council, work has commenced to establish, evaluate and test controls in systems that interface payments and sales invoices into ERP gold. This work will provide assurance that feeder system control environments are sufficient to ensure only legitimate invoices and payments are issued.

3.8 Ad-Hoc Projects - Capital Programme – Major Infrastructure

The Executive Director, Place and Economy, commissioned an urgent piece of work for an end to end review of 4 capital projects within the capital programme, all with different emerging issues and a full review of the wider service to recommend

governance improvements. This was a detailed piece of work, with the audit team cognisant of the obvious pressures the service is under in delivering their service at this time. These reports are all at draft report stage with the service. The Executive Director, Place and Economy has provided regular briefings to the Leader, Deputy Leader and Highways & Transport Chair and Vice Chair on the progress made and outcomes from each review. The findings of these reports have been considered and agreed with the service and taken forward by a recently appointed consultant who included the majority of these in his update to members and to the Chief Executive. The audit recommendations are also being used to help inform ongoing governance reviews within the service.

3.9 Grants

Work completed to confirm 19/20 grants that require audit review in 20/21 and a programme of work in line with sign off deadlines, including Combined Authority grants has been agreed. All five grant audits have been completed and certified within the timescales required by central government departments. The team continues to audit the regular troubled family grant claims.

3.9.1 Infection control grant

Work to review the governance arrangements in place to administer the first round of the Infection Control Grant has now been completed and a draft report giving satisfactory assurance was issued in September. Since then, the Department of Health and Social Care has awarded a second Infection Control Grant with amended conditions and reporting requirements. Internal Audit has begun work to provide assurance that governance arrangements have been sufficiently modified to ensure compliance with the conditions and will undertake compliance testing between the first reporting period in November and the end of the grant period in March 2021.

3.10 The Head of Finance requested Internal Audit undertake an overview of the non-statutory accounts for the Councils joint venture company with the University of Cambridge “Light Blue Fibre Ltd”. Internal Audit did not identify any areas of concern or inaccuracy based on the financial statements and the information provided by the Council’s Corporate Finance Team.

3.11 Work is currently in progress on the following areas:

- Key Performance Indicators
- Key Policies
- Infection Control Grant 2

- Schools Finance Monitoring
- LGSS Law Client Side
- Treasury Management
- Accounts Payable
- Accounts Receivable
- Debt Recovery
- Community Capital Fund
- Highways Contract OBR
- Foster Overpayments recovery review
- SEND

4 FOLLOW UPS

4.1 The outstanding management actions as at 12th November 2020 are summarised in the table below, which includes a comparison with the percentage implementation from the previous report (bracketed figures).

	Category 'Essential' recommendations		Category 'Important' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
Implemented	0	0%	51 (39)	81% (70%)	51 (39)	81% (70%)
Actions due within last 3 months, but not implemented	1 (0)	1.6% (0%)	0 (3)	0% (5%)	1 (3)	1.6% (5%)
Actions due over 3 months ago, but not implemented	1 (0)	1.6% (0%)	10 (14)	15.8% (25%)	11 (14)	17.4% (25%)
Totals	2		61		63	

4.2 There are currently 12 management actions outstanding. Further detail on all outstanding actions is provided at Appendix B.

- 4.3 The key financial system audits from 19/20 were issued toward the end of the year coinciding with the start of the pandemic. It was decided to pause further activity relating to these completed audits to fully align resources to risks being managed by Cambridgeshire County Council, consistent with the service's BCP, and to help ensure relevant services could do the same and respond to the challenges pose by the pandemic without distraction. Target dates for the key financial systems recommendations have now been agreed and some of these recommendations have already been confirmed as implemented as part of the 20/21 audits currently taking place.

5 Risk Management

- 5.1 The quarterly Risk Management Report was presented to JMT on 19th November 2020 and an update is attached for Audit & Accounts Committee at Appendix D.

Source documents: appendices to this report

Original Plan (as at March 2020)			
JOB TITLE	Original Plan March 2020	Revised Plan 6th November 2020	JOB STATUS
<i>Value For Money inc. Project Management</i>			
Investment Properties	10	0	Removed
Embedding Project Assurance Framework	20	20	N/A
Project Assurance of High Risk Projects	50	20	N/A
Energy Programme		20	Added - Not Started
<i>Total VFM & Project Management:</i>	80	60	
<i>Anti-Fraud and Corruption</i>			
Fraud Investigations	75	30	N/A
<i>Total Anti-Fraud and Corruption:</i>	75	30	
<i>Key Financial Systems</i>			
Accounts Receivable	20	20	Fieldwork Started
Purchase to Pay	20	20	Fieldwork Started
Payroll	20	20	Not Started
General Ledger	10	10	Not Started
Bank Reconciliation	5	5	Not Started
Treasury Management	10	20	Fieldwork Started
VAT	5	5	Not Started
Financial Systems IT General Controls	10	10	Not Started
Debt Recovery	20	20	Fieldwork Started
Pensions	20	20	Not Started
<i>Total Key Financial Systems:</i>	140	150	
<i>Grants and Other Head of Audit Assurances</i>			
Additional Highways Maintenance Grant	5	0	Removed
Local Transport Capital Block Funding	6.9	6.9	Closed
Bus Service Operators	0.8	0.8	Closed
Flood Resilience Fund	0	0	Removed
Cambridgeshire Challenge Fund	5	0	Removed
Cycle City Phase II	5	0	Removed
Troubled Families Grant	40	40	Ongoing
SWIM Grant	5	0	Removed
National Productivity Fund	5	0	Removed

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Disabled Facilities Grant	11.6	11.6	Closed
Safer Roads Funding	5	0	Removed
Pothole Action Fund	8	8	Closed
Broadband Grant	5	0	Removed
High Needs Block (Dedicated Schools Grant)	30	0	Removed
DWP - Winter Support	0	5	Added - Not Started
General Contingency	0	15	Added - Not Started
Total Grants and Other Head of Audit Assurances:	132.3	87.3	
Commissioning & Contracts			
Procurement Governance	30		Removed
Most Economically Advantageous Tenders	20		Removed
Highways Contract Open Book Review	50	50	Fieldwork Started
Waste PFI Open Book Review	40		Removed
Street Lighting PFI Open Book Review	40		Removed
Contract Management - Cambridgeshire Energy Performance Contracting Project	30		Removed
Contract Management - Minor Works Framework	30		Removed
Contract Management - Provision of Community Equipment Services	20	20	Not Started
Contract Management - Residential & Short Break Care for Children and Young People with a Disability	20		Removed
Contract Management - Public Transport, Park & Ride, and Guided Busway Contract	30		Removed
Contract Management - Integrated Drug and Alcohol Treatment System	30	30	Not Started
Adults Social Care Commissioning Strategies	40		Removed
New Schools Building PFI	10		Removed
Light Blue Fiber	10	10	Closed
Contract Management – CCS & Healthy Child Provision	20	20	Not Started
Open Book Review of COVID-19 Claims		10	Added - Not Started
Total Commissioning & Contracts:	420	140	

Key Organisational Risks & Director Requests			
Rental Income	20		Removed
Loans to External Organisations	5		Removed
Capital Strategy	20		Removed
Schools Capital Project Variations and Overspends	20	20	Not Started
Adult Skills	10		Removed
Contingency for emerging areas during the year	5		Removed
Annual Safeguarding Assurance	25		Removed
Adult Social Care Finance	20		Removed
Safeguarding the Assets of Clients in External Establishments	25		Removed
Cambridgeshire County Council Client Monitoring Arrangements for This Land Ltd	25		Removed
LGSS Law	15	15	Fieldwork Started
This Land Ltd	10.7	10.7	Closed
Recruitment Processes in Children's Social Care	20		Removed
Implementation of Liberty Protection Safeguards	20		Removed
Social Care Transitions	20		Removed
Other People & Communities Risk Based Audits	15		Removed
DSG - data integrity, eligibility & evidence (other req)		10	Added - Not Started
Less than best process and rent reviews - Follow Up		5	Added - Not Started
Total Risk-Based Audits:	275.7	60.7	
Compliance - Key Policies and Procedures			
Key Performance Indicators	20		Removed
Grants to Voluntary Organisations Policy Compliance	20		Removed
Health, Safety & Wellbeing Policy Compliance	20		Removed
Procurement Compliance	20		Removed
Client Contributions Compliance	30	30	Not Started
Direct Payments Compliance - Adults	20	20	Not Started
Unannounced Visits	20		Removed

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Fees and Charges Policy & Compliance	5		Removed
Total - Compliance - Key Policies and Procedures	155	50	
ICT and Information Governance			
Information Technology Audit Plan	70	70	Not Started
Information Management Board	5	5	Not Started
Total ICT Audit:	75	75	
Strategic Risk Management			
Annual Assurance on Risk Management	5	5	Not Started
Risk Management	20	30	Ongoing
Strategic Risk Management Assurances	60	20	Not Started
Compliance - Corporate and Key Directorate Risks	45	30	Not Started
Total Risk Management:	130	85	
Governance and Assurance			
Annual Governance Statement/Code of Corporate Governance	15	15	Not Started
Corporate Key Performance Indicator Framework	5	5	Fieldwork Started
Annual Key Policies & Procedures Review	5	5	Fieldwork Started
Equality Impact Assessments Compliance	20	20	Not Started
Schools Payroll and Safe Recruitment	35	35	Not Started
Schools Causing Concern	5		Removed
CIPFA Financial Management code	10		Removed
Contingency	30		Removed
Annual Whistleblowing Policy Report and Awareness	15		Removed
Total Governance and Assurance	140	80	
Advice & Guidance			
Advice & Guidance	50	20	N/A
Freedom of Information Requests	5	5	N/A
Follow-Ups of Agreed Actions	45	20	Ongoing
Total Advice & Guidance:	100	45	
Reporting			
Committee Reporting	25	15	Ongoing
Management Reporting	25	15	Ongoing

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Audit Plan	25	15	N/A
Total Reporting:	75	45	
Covid-19 related work' - to July 31st 2020			
Covid-19 20/21 Audit work			Closed
Covid-19 redeployment			Closed
AP-GPC Spend Analysis			Closed
Payroll Spend Analysis			Closed
EYC Framework & Panels			Closed
PPN Set up			Closed
PPN 02-20			Closed
Covid-19 20-21 - EY			Closed
Payments over £20k			Draft Report
Total Completed Covid-19 related work' - to July 31st 2020	0	668.5	
JMT/Director/HOF/CIA work requested in year			
Dark Web Emails			Closed
Farms Audit			Ongoing
Procurement Waivers			Closed
Wisbech Access Strategy			Draft Report
Lancaster Way			Draft Report
Fendon Road Roundabout			Draft Report
Chisholm Trail			Draft Report
Capital Programme Governance			Draft Report
School Audit			ToR Issued
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Fostering Overpayment Investigation			Closed
Less than best process and rent reviews			Closed
King's Dyke Tender			Closed
PFI Rebate			Closed
Foster overpayments recovery work			Fieldwork Started
SEND			ToR Issued
County Farm processes and procedures			Draft Report

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Infection control grant tranche 1			closed
Infection control grant tranche 2			Fieldwork Started
Test Track and trace grant			Fieldwork Started
Community Capital Fund			Fieldwork Started
Blue Badges			Closed
Feeder systems			Fieldwork Started
Covid-19 Risk Management			Closed
Investigations General			Ongoing
Blue Badges			Ongoing
Concessionary Travel Passes			Ongoing
NFI			Ongoing
Cambridgeshire Music			Closed
Sustainability Grant Panel			Ongoing
Total JMT/Director/HOF/CIA work requested in year	0	460.6	
Operational Plan Total - 2020/21	1798	2037.1	

Summary of Outstanding Recommendations – under 3 months

(Recommendations due as at November 12th 2020).

Audit	Risk level	Summary of Recommendation	Target Date	Status
Special Guardian Payments Investigation	E	The overpayment should be recovered Internal Audit suggest the case is referred to the police to be investigated formally alongside internal steps to recover the amounts as above. A formal request for monies owed via standard recovery processes should not impact a police referral.	31/08/20	<p>The Head of Service has written to the carers in question and a meeting is arranged for 20th November 2020. A referral to the police will be assessed following this meeting and its outcomes. This approach has been agreed with the Service Director of Children's Services</p> <p>Revised target date: 31st December 2020</p>

Summary of Outstanding Recommendations – over 3 months

(Recommendations due as at November 12th 2020).

Audit	Risk level	Summary of Recommendation	Target Date	Status
Special Guardian Payments Investigation	E	<p>The overpayment should be recovered The service should contact the family by letter requesting repayment of the full amount paid. This letter should include:</p> <ul style="list-style-type: none"> • An itemised summary of payments made to them in error; • An offer to discuss repayment through a payment plan; and • A reminder that they should notify the service in respect of any error payments in the future; 	31/07/20	<p>The Head of Service has written to the carers in question and a meeting is arranged for 20th November 2020 at which the Head of Service will outline the exact amount due to be repaid, review any additional evidence provided, and propose a re-payment plan. If a suitable re-payment plan is not agreed within 14 days the overpayment will be referred to the Deb Recovery Team for action. At this point the service will make a decision whether to refer to the police. This approach has been agreed with the Service Director of Children's Services</p> <p>Revised target date: 31st December 2020</p>
Fostering Contract Management 18/19	I	<p>Double paying for home-to-school transport: Establish a suitable fee reduction to ensure travel costs are not paid for twice, and publish this clearly as part of fee negotiation guidance. Before negotiations for a contract start, it should be fully established whether the child is eligible under the home to-school transport assistance policy and the fee reduction should be agreed accordingly. Guidance should be updated to state that every contract should include a note re: how Home to School transport and transport to contacts is funded, and that this should also be noted on the placement plan. Given the values involved, consideration should be given to calculating the potential over payments made in</p>	01/10/19	<p>The service has reported progress encompassing the two elements:</p> <ol style="list-style-type: none"> 1) Review of previous placements where CYP access home to school transport 2) Ensuring that processes are in place to ensure that negotiated fees are arranged for placements going forward. <p>The first element has been delayed due to Covid19. An up-to-date list has been requested from the Home to School Transport team and it is expected that this review will be completed by March 2021 (in anticipation of some complex negotiations).</p>

		previous years to inform a decision as to whether or not these sums should be recovered.		<p>Regarding the second element, a new process has been implemented to ensure that negotiated fees for home to school transport are managed on a case-by-case basis as a 'blanket approach' would not be appropriate given the complexities of individual cases.</p> <p>Revised target date: 31st March 2021</p>
Fostering Contract Management	I	No control process to identify errors in in-house payments: Create a payment policy document that clearly sets out the different scenarios that occur and how they are paid for, such as: respite breaks, children going to university, level 6 carers with a staying put placement etc. Include details about IFA carers transferring to in-house, and the fee agreements relating to children already in place.	01/07/19	<p>This activity has now broadened resulting from the decision to align CCC and PCC fostering services into a new shared Fostering Service. The service has identified 18 areas which they are reviewing with Finance Business Partners to see whether adjustments and alignments can be made between the Councils.</p> <p>The service aims to have the majority of this work completed by 1st December 2020 but a consultation with Foster Carers at both CCC and PCC will need to be undertaken with implementation of any revised payment agreement in the new financial year.</p> <p>Revised target date: 1st April 2021</p>
Transport Contract Management	I	Financial processes: A full financial processes review should be conducted by the SETT in conjunction with the Professional Finance team. This should include immediately ensuring that payments made via interface spreadsheet are linked to a SWIFT ID or other relevant identifier. The review should also ensure that interface payments are being used in the most efficient manner, reducing the amount of duplicate entry required and the risk of human error occurring in the payments.	31/07/19	<p>The review has grown in scope from that originally envisaged by the audit. The service confirmed that the Children in Care Transport payments are now entered with a "job number" reference which ties the payment to a specific journey.</p> <p>The commitment record is still work in progress – a more comprehensive/user friendly spreadsheet of routes and costs is now in place, but further work is required. Dealing with social distance</p>

		<p>And in the longer term:</p> <ul style="list-style-type: none"> • Developing a new commitment record spreadsheet for adults and LAC transport, which contains all journeys and client information. • Reinstating the use of Purchase Orders and receipting for the payment of all SETT invoices, in line with the Scheme of Financial Management. 		<p>transport requirements has had an impact on the services operations and priorities so this work has been delayed.</p> <p>Revised target date: 31st January 2021</p>
18/19 Ely Bypass Review	I	<p>Limits on Delegated Authority</p> <p>Consideration should be given to whether the Constitution should be adapted to incorporate limits to delegating authority away from Committees, particularly when there are significant financial implications.</p>	31/10/19	<p>Previous update from the service was that they were looking at delegated authorities and how the various levels might best work and that a paper was being developed for consideration.</p> <p>The Service Director for Highways and Transport has advised that the change needs to go to Constitution and Ethics and then onto full Council for the constitution.</p> <p>Revised target date: 31st May 2021</p>
19/20 Fire Safety Checks	I	<p>There is not an adequate process for recording and monitoring remedial actions:</p> <p>The Head of Property should ensure that a new central, overarching process is developed to ensure all remedial actions recommended in FRA's are recorded and monitored in detail, including:</p> <ul style="list-style-type: none"> • The exact nature of the action required • The priority/risk rating of the action • The date the FRA was completed • The date implementation is required • Who is assigned to undertake the required action e.g. external contractor or internal team/officer. • Responsibility for this new process should be clearly assigned to a specific officer. <p>It would also assist in timely implementation of actions if who needs to be engaged to undertake the required work was also recorded against each action e.g. external contractor or internal team.</p>	31/12/19	<p>The implementation of this action was delayed due to officers in the service being committed to priority Covid-19 Risk Assessment works throughout the Authority. Progress has now been made with some further work needed to fully implement the recommendation. Internal Audit will review the amended process in January.</p> <p>Revised target date: 31st December 2020</p>

		<p>The new process should include close liaison with the Compliance Team and regular checks should be conducted to ensure all actions from FRA's have been recorded.</p> <p>The Compliance Team currently record all actions from the FRA they have undertaken in detail and this spreadsheet should be useful in developing the new process.</p> <p>In addition, the Head of Property should investigate whether there are any value for money software solutions that would provide a robust and efficient tool for managing FRA's and the implementation of remedial actions that could be utilised by both the Compliance Team and Facilities Management.</p>		
19/20 Fire Safety Checks	I	<p>Detail on FRA's remedial actions and implementation are not reported:</p> <p>Detailed information on remedial actions and implementation of those actions should be reported to the Head of Property on a regular basis. Monitoring recommended at 4.2 would support this reporting.</p> <p>The Head of Property to formally ask HASCAM, the Strategic Health, Safety and Wellbeing Group, the Corporate Health Safety and Wellbeing Group and the Section 151 Officer if they also require this information to allow for independent monitoring and challenge and highlight any significant risks identified from FRAs.</p>	31/12/19	<p>The implementation of this action was delayed due to officers in the service being committed to priority Covid-19 Risk Assessment works throughout the Authority.</p> <p>The Service plans to report to the Chief Finance Officer and the Assistant Director on at least a quarterly basis. Weekly meeting will be re-instated with the Property and Compliance Teams. A training session is being organised on the new process. A separate inbox will be created to make sure that the Fire Risk Assessments are picked up by the appropriate team (the only caveat on this will be if that is viable from an IT perspective).</p> <p>Revised target date: 31st December 2020</p>
P&E Cost Recovery	I	<p>Time Recording Software</p> <p>The exercise to procure time recording software should be pursued as a matter of priority to ensure an efficient time recording system is in place to underpin a robust and</p>	31/03/20	<p>The service has confirmed that due to impact of Covid19 on the service (and IT having to divert their resources into higher priority projects) this project has not been progressed.</p>

		<p>consistent cost recovery process across Infrastructure and Growth. The software should be able to:</p> <ul style="list-style-type: none"> • Apply different staff rates, including overheads and risk percentages, for each project. • Automatically calculate staff costs for each project based on the applied rates. • Interface with/upload data to ERP Gold to provide an efficient way of updating project ledgers with staff costs. This would also support an efficient way of raising accurate invoices to external organisation direct from ERP Gold rather than multiple complex spreadsheets. <p>The software should also be user friendly and simple for staff to use and provide management reporting.</p>		<p>Revised target date: 31st March 2021</p>
Direct Payments	I	<p>Clawback of Overpayments on Direct Payment</p> <p>In line with the procedure undertaken when recovering underspent or overpaid personal budgets for children, clawback of underspent or overpaid monies is conducted by netting off the amount to be recovered against future payments. This will reduce the amount of money that is due back to the Council that is not returned. Internal Audit's understanding is that this is the process in place for Children's Services and so conversations should be held with key officer's to understand how to apply this system to the Adult's Service.</p>	30/06/20	<p>The service is investigating whether this can be managed via the Mosaic system as an automated clawback function. The service reports that Covid19 events has delayed the required analysis and testing in Mosaic. The service aims to address this recommendation as part of Mosaic finance review project.</p> <p>Revised target date: 31st March 2021</p>
Business Continuity	I	<p>There is no Senior Management overview of BCP's</p> <p>The Emergency Planning Manager to report to Joint Management Team (JMT) twice a year for JMT (for the first year and then for JMT to confirm the frequency of further reporting) to review the BCP review tracker to gain assurance that all their Services have BCP's in place and to communicate any emerging issues or risks that EMT need to be aware of.</p>	30/06/20	<p>A report for JMT was not prepared in June 20 due to the ongoing response to the pandemic, but the service is prioritising a report to JMT in December 2020 and twice yearly after that as previously agreed.</p> <p>Revised target date: 31st December 2020</p> <p>(Internal Audit do not intend to continually follow this up and will class as implemented once the first report is submitted to JMT)</p>

Business Continuity	I	<p>BCP's are not prioritised and scrutinised by EMT and no assurance is given to JMT and GPC that this has taken place</p> <p>The Emergency Planning Manager to report on the development of the Council's Business Continuity arrangements during the current year and to provide progress updates / assurance including:</p> <ul style="list-style-type: none"> • That all services have been identified, prioritised, all high priority plans have been scrutinised and to identify proposed developments in Business Continuity for the coming year. • The priority services across CCC and PCC and how these have been prioritized. <p>This would afford JMT the opportunity to review priority services on a continual basis to ensure they are satisfied that critical services have sufficient BCP arrangements in place.</p> <p>The Emergency Planning Manager should consider introducing relevant KPI's in relation to this information</p>	31/05/20	<p style="text-align: right;">Page 21</p> <p>As a result of the response to covid-19, business continuity has been discussed extensively at JMT on numerous occasions and is central to the response and how the authority has operated. The service are in the process of reviewing the business continuity activity and changes that were implemented at a service level with the intention of incorporating the learning into on-going business continuity planning.</p> <p>JMT were heavily involved in the creation of the critical services list for the pandemic and the list was finalised at the beginning of April. The list will be revisited on a regular basis going forward. Methodology for scrutinising BCP's is still to be determined.</p> <p>Revised target date: 30th November 2020</p>
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Appendix C provided separately as confidential / exempt

APPENDIX D

TITLE Risk Management Update Report

4. PURPOSE

- 4.1 To report on the risk management progress and updates for the period to 6th November 2020.

5. BACKGROUND

- 5.1 In November 2019, a new risk management process was proposed by the Head of Internal Audit and the Director for Business Improvement and Development (BID), and subsequently agreed by Joint Management Team (JMT).
- 5.2 This process cemented the quarterly cycle for risk management, which includes the risk management team offer to meet with the relevant Corporate Risk Register (CRR) and Directorate Risk Registers (DRR) risk owners to review, refresh and update risks as appropriate.
- 5.3 A further stage in this new approach to risk management was to bring in a process of assessing the content of the CRR's and the 'top 3' risks within the DRR's on a sample basis throughout the year. In practice, this assessment would be undertaken by the risk management team giving an opinion on the control environment and commenting on any material omissions, with the internal audit team then undertaking substantive compliance testing to ensure the controls detailed within the registers are in place and effective in mitigating the risk in practice.
- 5.4 Work to refresh the CRR and DRR's was undertaken at the start of 2020, however this work was paused following the outbreak of the Covid-19 pandemic.
- 5.5 At this point, JMT Gold requested that a separate risk register was created to ensure full visibility of this new and rapidly changing trigger. In order to develop this risk register in a time efficient way, there was positive, proactive input from JMT, risk owners and other key officers as appropriate, and once the risk register was developed there was a clear and regular update and reporting process to incorporate emerging risks and triggers into the register, in order to allow for proportionate action plans and then controls to be developed.
- 5.6 In September 2020, as the Council moved to a more Business as Usual (BAU) period, a further paper on risk management was presented to JMT which determined that Covid-19 is better, going forward, treated as a trigger, and reflected at the CRR and DRR level, and subject to escalation in the same way as any other trigger.
- 5.7 It was agreed at this point that the CRR was in need of a refresh and re-focus to ensure it has captured the correct risks and triggers as well as confirming that the controls in place and agreed action plans/target dates are proportionate. This refresh is essential to give an assurance that the CRR remains an effective tool to support JMT in managing organisational risk.

- 5.8 Similarly, it was agreed that all DRR would need refreshing to ensure both that COVID-19 is captured as a trigger and that the DRRs are aligned to both each other and the CRR in style and content, to allow for more streamlined reporting, and escalation, of risk.
- 5.9 There has been positive and encouraging input and involvement in this process from directorates and CRR risk owners. However, given the current operational pressures, the risk management team has not yet been able to meet with all risk owners and, as such, the CRR still requires further review and, in some areas, does not fully reflect Covid-19 as a key trigger.
- 5.10 The following corporate risks have been refreshed and updated to reflect Covid-19 as a trigger:
- 5.10.1 *Risk 01 – Vulnerable children or adults are harmed;*
 - 5.10.2 *Risk 03 – Personal data is inappropriately accessed or shared;*
 - 5.10.3 *Risk 04 – In the midst of the Covid-19 pandemic, a serious incident occurs, preventing services from operating and/ or requiring a major incident response.*

The title of Risk 04 has also been adapted to reflect the current risk environment.

- 5.11 In addition to the above, *Risk 07 – The infrastructure and services (e.g. transport, education, services for children, families and adults) required to meet the current and future needs of a population is not provided at the right time*, has been discussed with the risk owner and relevant directorate management team, though this has not been formally refreshed and updated at this stage.
- 5.12 At the time of writing this report, this therefore means that the following corporate risks need refreshing:
- 5.12.1 *Risk 02 – The in-year Business Plan (including budget and services) is not delivered*
 - 5.12.2 *Risk 05 – The Council does not deliver on its statutory or legislative obligations*
 - 5.12.3 *Risk 06 – Our resources (human resources and business systems, CCC and providers) are not sufficient to meet business need*
 - 5.12.4 *Risk 07 – The infrastructure and services (e.g. transport, education, services for children, families and adults) required to meet the current and future needs of a population is not provided at the right time;*
 - 5.12.5 *Risk 08 – The Council is a victim of major fraud and corruption;*
 - 5.12.6 *Risk 09 – Inequalities in the County continue;*
 - 5.12.7 *Risk 10 – Change and transformation of services is not successful to meet future estimated levels of resources in the business plan;*
 - 5.12.8 *Risk 11 – Impact of the Brexit Risk Assessment.*

- 5.13 Once the full suite of CRR's have been refreshed and agreed by all corporate risk owners, then the next stage for the risk management team will be to ensure that the DRR align to this register for ease of understanding and escalation.
- 5.14 Following the completion of this full refresh, then standardised quarterly update process, as specified within the risk management framework, can be complied with on an ongoing basis.