

AUDIT AND ACCOUNTS COMMITTEE ACTION LOG

<u>NO.</u>	<u>TITLE OF REPORT / MINUTE AND ACTION REQUESTED</u>	<u>LEAD</u>	<u>PROGRESS / RESPONSE</u>
	ACTIONS ARISING FROM THE MINUTES OF THE 25TH NOVEMBER MEETING 2014		
1.	MINUTE 99 INTERNAL AUDIT PROGRESS REPORT (INCLUDING PROGRESS OF IMPLEMENTATION OF MANAGEMENT ACTIONS) TO 31ST OCTOBER 2014 a) Internal Audit Report on Safe Recruitment in Schools - Request from the Chairman for a written update on the number of responses received in relation to the reminders to the third of schools who had not completed the self-assessment audit. He advised that it would not be necessary to come back to Committee to present that information.	Service Director Keith Grimwade	<p>An update was provided to the Chairman in an e-mail dated 2nd March 2015 as set out in the Minutes of the 17th March meeting. A further update was provided on 14th May which indicated that:</p> <p>Ten schools (one infant, nine primaries; of the ten, nine are maintained, one is an academy) have not returned the self-audit, all other schools have, making a return rate of 96%. The ten schools will be contacted by the relevant Area Senior Adviser for an explanation.</p> <p>Action ongoing</p>
	b) The Head of Internal Audit to commence the audit process with a view to providing a full report. This would involve discussions with relevant officers and the selection of a sample of forms, and following up with some schools that had not responded. An update would also be provided on the response rate and the areas of concern by school/issue.	Neil Hunter	<p>The outcome of the Safer Recruiting audit was due to be reported as part of the Internal Audit Progress report to the July 2015 Committee.</p> <p>Action ongoing</p>

ACTIONS ARISING FROM THE MINUTES OF THE 17th MARCH MEETING 2014			
2.	MINUTE 118 ACTION LOG FROM MINUTES		
a)	4d) Risk 26 – Increasing Manifestation of Busway Defects It was suggested that the Economy and Environment Committee should, as part of their regular review report, consider whether this risk was at the appropriate level. However, having received cautionary advice from External Audit on the need to ensure information was not disclosed which would prejudice future negotiations, the Chairman indicated he would raise the issue directly with the Chairman of the Economy and Environment Committee. (Action)	J Whelan	<p>A report on Busway Defects is due to go to the July Economy and Environment Committee.</p> <p>Action ongoing</p>
b)	8c) Children’s Social Care Directorate – forecast overspend due to continuing need to use agency staff - the Chairman asked for more detail on whether the number of permanent staff recruited outweighed those being lost through redundancy, natural wastage etc. (Action)	NikiClemo	<p>An e-mail response was sent to the Committee on 27th April from NikiClemo Service Director Children’s Social Care indicating that:</p> <p>“We have attracted more Social Workers and Unit Social Workers to Cambridgeshire than we have had leavers i.e. in the last year we have attracted 28 new Social/Unit Social Workers to Cambridgeshire and have lost 16.</p> <p>The problem has been in recruiting externally for consultant social workers-we have lost 12 and only recruited one externally. However we have appointed to most of these posts through internal promotion. In line with nationally and regionally recruiting experienced social workers continues to be the greatest challenge”</p> <p>Action completed.</p>

c)	<p>Performance Indicators – previous action to prepare a formal reference to General Purposes Committee</p> <p>The Chairman had agreed with Sue Grace Director, Customer Services and Transformation that he would meet with her and the lead officer to influence the report which would go forward to General Purposes Committee. (Action)</p>	Chairman	<p>A meeting was undertaken.</p> <p>Action completed</p>
4.	MINUTE 119 RISK MANAGEMENT REPORT		
	Issues for action raised in relation to the Corporate Risk Register were as follows:		The responses below to the actions on this minute were included in an e-mail from Democratic Services to the Committee dated 13th May.
a)	<p>Risk 3 ‘The Council does not have appropriate staff resources with the rights skills and experience to deliver the Council’s Priorities at a time of significant demand’. The Chairman suggested a major trigger was lack of trained staff / lack of training at a national level. (Action)</p>	D Thorp	<p>The Corporate Risk Group agreed with the Chairman’s view and new triggers will be added accordingly and agreed with the risk owner.</p> <p>Action completed</p>
b)	<p>On risk 1b The Chairman reiterated comments he had made at previous meetings that an additional trigger could be “serious difficulties in recruiting” - e.g. social workers stemming from lower wages than in some other areas and the higher cost of living (accommodation) in Cambridgeshire). On the sixth control, it was suggested that key ones such as this, should have a time target. (Action)</p>	D Thorp	<p>The Corporate Risk Group considered the query around difficulties in recruiting, but concluded that this is covered under Risk 3. (titled: “The Council does not have appropriate staff resources with the right skills and experience to deliver the Council’s priorities at a time of significant demand pressures”)</p> <p>It was agreed that time targets should be included for controls, and the Group felt that this was already true in most cases.</p>

c)	On Key Risk 4 'The Council does not achieve the best value from its procurement contracts' it was highlighted that under 'key controls' there was nothing to demonstrate 'Value for Money' was being achieved. It was further suggested that the risk owner should be invited to the next meeting to explain this risk.(Action)	D Thorp / R Sander-son	This request was passed to LGSS. Proposed revised wording has been provided by Paul White, Head of Procurement and is included in Appendix 1 attached which was sent to Councillor Shellens on 27 th May for initial comment. At the suggestion of the current Chairman Paul White will be attending the Committee to answer any questions the Committee may have on the revised wording.
d)	Risk 9 'Failure to secure funding for Infrastructure' - the reference to 'recession' in the trigger column was no longer appropriate and officers should consider replacing with other text e.g. austerity measures' (Action)	D Thorp	The Corporate Risk Group agreed and the wording will be changed accordingly Action completed
e)	On the action owner column it was suggested that the name of the responsible officer should also be included rather than just the post for transparency purposes.. Action to look further on how this request could be actioned	D Thorp	The Corporate Risk Group agreed and the document will be updated accordingly
f)	The Chairman queried whether Risk 25 – 'Failure to effectively implement the Council's new governance arrangements' was still appropriate. The Chairman suggested that if it was still required as a risk going forward it require updated wording. Action	D Thorp	This has now moved on as the six month review has concluded, and the risk is no longer live. Actions completed

5.	MINUTE 120. INTERNAL AUDIT PROGRESS REPORT		
a)	Business Continuity – Moderate assurance provided.		<ul style="list-style-type: none"> Business Continuity – Actions were progressing but hadnot been completed. An update was requested by Internal Audit on 24th April m 2015 (note March 2015 had been the target date)
b)	Personal Budgets for Children - Substantial Assurance provided Action: The Chairman requested details outside of the meeting on the follow up to be taken to ensure the actions were undertaken to address the minor issues which hadbeen identified.		<ul style="list-style-type: none"> Personal Budgets –The action was confirmed by management in May 2015 as having been implemented. <p>(The above would be followed up for the September meeting)</p>
c)	Section 4 -details of the Fraud and Corruption update. Action: The Chairman requested details of the case referred to in paragraph 4.4 outside of the meeting.		<p>This more detailed confidential information was provided as part of the responses from Internal Audit sent to the Committee by Democratic Services on 15th May.</p> <p>Action completed</p>
d)	Section 5 ‘Implementation of Management Actions’. The Chairman suggested, and it was agreed, that it would be useful to give a brief one line explanation of the reasons where implementation targets had not been achieved. (Action)		<p>Internal Audit have confirmed that this will be included as part of the reformatting of future reports. There were no management actions which had not been achieved at the time of preparing this update.</p> <p>Action completed</p>

6.	MINUTE 124 - EXTERNAL AUDIT PLAN 2014/15 FOR THE STATEMENT OF ACCOUNTS AND PENSION FUND ACCOUNTS AUDITS		
	In relation to the Value for Money risk, the Committee requested more detail to be provided on the approach that would be undertaken to identify value for money (page 8). The External Auditor undertook to provide this detail in the report on its findings to come back to Committee. (Action)		To be included in the report scheduled for a future cycle. Action completed
7.	MINUTE 125 - 2014-15 CLOSURE OF ACCOUNTS IMPROVEMENT PLAN / ACTION PLAN UPDATES		
	Making reference to the heading in Appendix 1 'Reconciliation of Investment Manager confirmation to custodian reports', there was a request to find out from Pensions the frequency this would take place, as the entry just referred to it "occurring on a regular basis.Action.		It has been confirmed by the Pension Fund that custodian reports happened on a quarterly basis. Action completed.
8.	MINUTE 126 - INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR PERIOD ENDING 30 JANUARY 2015		

a)	<p>Making reference to the Revenue Budget table on page 3 of the report, the Vice Chairman expressed concern regarding how General Purposes Committee could effectively monitor budget spend when there was only one line included for the Children, Families and Adults (CFA) Budget, although this represented 70% of the overall budget. He expressed the view that as the largest part of the Council spend, it should be broken down into different elements and did not believe it was currently sufficiently transparent. It was explained that both the Adults and Children and Young People's Committees received on a regular basis their own service specific detailed 'Finance and Performance' reports and that General Purposes Committee operated in an overview capacity. Action: It was agreed that the issue would be further considered with officers outside of the meeting</p>	<p>A response was provided by Chris Malyon to the Vice Chairman which confirmed the oral update response provided at the meeting.</p> <p>He explained that that General Purposes Committee have been asked in the past to comment on the format of the report and have not challenged the presentation. If Audit and Accounts Committee therefore still consider that in its view the format / presentation of the report in term of the Children, Adults and Families budgets could be improved, this would need to be through a formal reference from Audit and Accounts Committee to General Purposes Committee making a recommendation for their consideration.</p> <p>As clarification it was explained General Purposes Committee receives the report in the current format in order to exercise a strategic overview, including monitoring and reviewing the overall performance of the Council against the Business Plan and authorising virements not covered within the limits of the Council's financial rules provided there is no change to approved policy. All service committees receive a more detailed report on the budget / performance indicators for their service area at every second Committee meeting and have the opportunity to ask detailed questions. In addition, Spokes and the chairmen / chairwomen of the Committees also receive details of any major changes to service budgets / relevant performance indicators from the relevant Executive Director at spokes briefings/ Chairmen / chairwomen briefings before each Committee meeting.</p> <p>Action completed</p>

b)	In respect of the table on page 9 and 10 titled 'Performance Targets' Officers were asked to look at separating those the Council had specific responsibility for / could directly influence, from those targets it was required to report on by Central Government. (Action) In response it was explained that the table format was currently being reviewed and would include looking into this point.		The suggested change will be incorporated into the report as part of a set of changes which will be implemented for 2015-16.
c)	With reference to paragraph 6.4 'Changes to Capital Funding' it was suggested that the table would be further enhanced by making clear, in respect of the underutilisation of specific grants / Section 106 Resources, whether this was the result of not receiving those funding streams, or of expenditure not having been incurred against which to match the funding received. (Action)		The change will be incorporated into the report as part of a set of changes which will be implemented for 2015-16.
9.	MINUTE 127 - DRAFT AGENDA PLAN		
a)	Councillor Sales request for a review of the General Purposes Committee decision to grant a lease to an organisation to manage the land as a community sports facility on the March Estover Road Site.		The investigations were still in progress and the report would be scheduled for the July Committee meeting. Action ongoing.
b)	b) To agree to receive updates on the Internal Audit Plan at each Committee meeting.		The current agenda includes the Annual Internal Audit Report. The requested report on 'Updates to the Internal Audit Plan' has been programmed for every meeting from July. Action completed

Appendix 1

Details of Risk				Inherent Risk				Key Controls/ Mitigation	Residual Risk		
Risk No.	Risk Description	Trigger	Result	Probability	Impact	Score *	Owner		Probability	Impact	Score *
4	The Council does not achieve best value from its procurement and contracts	1. ineffective procurement processes 2. Lack of awareness of procurement processes across the Council 3. Ineffective contract management processes 4. Untrained contract managers	1. Poor value for money 2. Legal challenge 3. Wasted time and effort in contractual disputes	4	4	16	LPG	1. Contract Regulations/ Best Practice Guidance kept updated and communicated via Procurement Network Group 2. Revamped Contract Planning Group (CPG) used as peer review of proposed new contracts over £500k that are not subject to specific Project Board structure 3. Regular dialogue with clients 4. Procurement awareness training	2	3	6

