

**AUDIT AND ACCOUNTS COMMITTEE: MINUTES**

**Date:** Thursday 28<sup>th</sup> November 2019

**Time:** 2.00 pm – 4.20 pm

**Place:** Kris Viersen Room, Shire Hall, Cambridge

**Committee Members Present:**

Councillors: S Crawford J French (substituting for M McGuire), P Hudson, T Rogers (Vice Chairman), M Shellens, (Chairman) and D Wells

**Apologies:** Councillors M McGuire and J Williams

Officers Present:

Daniel Ashman Asset Information  
Searches Manager (Minute 231)

Tom Barden – Head of Business  
Intelligence (Minute 233)

Mairead Claydon – Audit & Risk Manager  
(Minute 235)

Martin Cox Human Resources Director  
(Minute 230)

Tom Kelly – Head of Finance/Deputy  
Section 151 officer

Diane Stygal Adviser for Leadership  
(Minute 229)

Fiona McMillan Joint Director of Law and  
Governance

Chris Meddle (Minute 229)

Rob Sanderson - Democratic Services  
Officer

Julia Turner Interim Head of  
Transformation (Minute 232)

Duncan Wilkinson - Chief Internal Auditor

**223. APOLOGIES FOR ABSENCE DECLARATIONS OF INTEREST**

Apologies were received from Councillors McGuire and Williams

During the consideration of Minute 232 Councillor French declared a non-statutory disclosable interest under the Council's Code of Conduct in the project titled 'Looked After Children Placement Budget Savings' as she was a member of the Communities and Partnership Committee overseeing the project.

**224. MINUTES OF THE AUDIT AND ACCOUNTS COMMITTEE DATED 24<sup>th</sup> SEPTEMBER 2019**

The minutes of the meeting held on 24<sup>th</sup> September 2019 were agreed as a correct record and signed by the Chairman.

**225. MINUTES OF THE SPECIAL MEETING OF THE AUDIT AND ACCOUNTS COMMITTEE DATED 31<sup>ST</sup> OCTOBER 2019**

The minutes of the meeting held on 31<sup>st</sup> October 2019 were agreed as a correct record and signed by the Chairman.

As a follow up the Chairman raised the following queries / asked for updates:

- Page 18 Bullet 2 Letter from the Chairman to BDO – it was confirmed that a letter had been prepared and was ready for the Chairman to sign. **Action: Chairman** (The letter is included as Appendix 1 to these minutes).
- Page 19 - 5<sup>th</sup> Bullet the suggestion that in future the deadline for Local Government 'account to sign off might again be moved back to the end of September due to the difficulties all Councils were having in achieving the current end of July deadline. As the national review consultation deadline had only been the previous week, no update was available.
- Page 21 second bullet - with reference to how the County Council valued its assets and the suggestion of moving over to an annual assessment of all assets, for the time this was still to be carried out on the basis of a rolling programme.
- Page 22 second bullet - **objection to the current accounts by a member of the public** - The Committee was made aware of an e-mail received by the Chairman from Mr Andrew Rowson, copied to the Chief Executive, Democratic Services and Group Leaders regarding queries he had on External Audit payments. The Committee was informed that the Chief Finance Officer was looking into the issues raised and would be providing a formal response in consultation with the Chairman, which the Committee would be copied into. **Action: Chief Finance Officer**
- Page 22 – Valuation of Heritage Assets and Ernst Young (EY) the Council's External Auditors raising the issue of whether a more up to date valuation was required. (also referenced in bullet 6 Page 27) EY would be accepting Management's representation that it was uneconomic to do so in terms of the cost of a revaluation, compared to the current identified value of the heritage assets.
- IFRS 16 Leases – It was confirmed that this new regulation, coming into effect for the 2021-21 financial statements, would have practical implications and would require a considerable amount of work over the next 18 months - although progress was being made with property lease information, Council had considerable further work to be undertaken for this aspect

- Page 23 Update on the LGSS Joint Committee meeting held at the same time of the October Committee - CCC employed staff managed through the Integrated Finance Team, which has been responsible for the production of accounts, would be returning to the County Council's direct control working alongside the Finance Business Partner team, which had already been repatriated.
- Page 24 – third bullet - regarding the new Finance post an offer had been made to a candidate but the recruitment process had not yet been completed.
- Page 27 – Guided Busway – Request for a further update on whether there was yet a date for any final resolution and who was leading on this. This was being led by the Chief Finance Officer and Service Director Highways and Transport. **Action: Head of Finance to check and write to the Chairman outside of the meeting.**

## 226. MINUTE ACTION LOG

The Minutes action log was noted with the following updates:

- Page 30 1c) Section 106 Contribution update – This was sent in an e-mail update to the Chairman on 20<sup>th</sup> November and is included in Appendix 2 to the minutes.
- Page 32 4a) Vexatious complaints on the accounts – A response had been prepared for the Chairman (*Post meeting note: sent to the Chairman after the meeting- it is included in Appendix 2 to the minutes*)
- Page 34 – 5c) Community Transport Future Audit Responsibilities. A response had been provided to the Chairman earlier in the day and the response which was orally reported at the meeting is included in Appendix 3 to the minutes.

## 227. MINUTES OF THE AUDIT AND ACCOUNTS COMMITTEE DATED 24<sup>th</sup> SEPTEMBER 2019

The minutes of the meeting held on 24<sup>th</sup> September 2019 were agreed as a correct record and signed by the Chairman.

## 228. PETITIONS AND PUBLIC QUESTIONS

None received for either by the County Council Constitution deadlines.

## 229. SAFER RECRUITMENT IN SCHOOLS UPDATE

The Committee received a report providing an update on the Schools Intervention Service's monitoring of the Leadership of Safeguarding, including safer recruitment in maintained schools.

It was highlighted that the two Leadership Advisers continued to undertake a rolling programme of Safeguarding Review visits to maintained schools with

schools prioritised according to the risks set out in the report. Oral updates were provided on recent school visits in terms of health checks / safer recruitment and that week in addition to visits to maintained schools, included an independent school and two academies,. Details were also provided of a well-received half day conference given to 19 schools including those out of County. Such events also provided the opportunity to find out what other Counties were doing, with it commented on that some did not require enhanced DPS checks in the same way as Cambridgeshire did.

Areas highlighted included:

- The safeguarding review tool having been updated in the summer following the update of 'Keeping Children Safe in Education 2019'.
- As a result of the above, Maintained schools receiving an updated template to enable them to maintain a comprehensive Single Central Register (SCR) to record the details of their safer recruitment procedures.
- New heads taking up appointments at schools was an area prioritised in terms of safeguarding / safe recruitment advice.
- Details of the workshops undertaken in respect of the Leadership of Safeguarding.
- The help provided around business support as this was sometimes an area where issues had been found. A Peterborough school had recently been given additional support.
- That there was a new OFSTED framework which continued to focus on safer recruitment and employment files, as well as other aspects of safeguarding. Only one Cambridgeshire maintained school had received a full inspection under the new framework with the inspection focus on academies. The one Cambridgeshire maintained school inspected did not receive a comment on safeguarding. The school had been reviewed by the Team before the OFSTED inspection and their safer recruitment procedures had been found to be effective.
- The Education Safeguarding Team's Annual Governor's Safeguarding Monitoring report included a significant section on safer recruitment as did the Governor Service's Annual Monitoring report. These had a completion and return rate of over 90% from all Cambridgeshire state schools, including academies. Those who did not provide a return would be seen as having a safeguarding risk factor and would result in warning letters being issued, and if academies, a letter to the Multi Academy Trust.
- The Leadership Advisers were currently carrying out an analysis of the take up of training and this would be reported on in the spring term report to the Committee.
- The monitoring undertaken continued to see a positive safer recruitment picture across Cambridgeshire schools. The reviews demonstrated that there could no complacency, as there were often improvements that schools could make and therefore the process would always be ongoing.

In discussion Members raised the following:

- paragraph 3.3 Training Support and Monitoring - on the reference to maintained nurseries, primary schools, academies and special schools being independently governed and free to purchase their training support from a range of providers (as detailed in the report,) the Vice-Chairman asked which body had an overview monitoring role to ensure training was carried out. It was explained there was no overall body but that their service sought to persuade schools to undertake the training but could not compel them to. OFSTED had a responsibility for ensuring all schools carried out safeguarding procedures against their prescribed checklists.
- What was the reason for OFSTED now concentrating on Academy schools? In Cambridgeshire this reflected that the Inspection regime recognised the work carried out by the advisors. The expectation was that local authorities should ensure that their maintained schools did have robust safeguarding procedures.
- What were the main change areas of the 'Keeping Children Safe in Education 2019' September update undertaken by the Department for Education? These were in relation to child protection and required changes to the Single Central Record Register template.
- There was a discussion regarding safeguarding around pre-schools nurseries which was an area under the control of the Early Years Service. It was agreed that this was a good area for the Committee to review. **Action: Chris Meddle Senior Leadership Advisor to arrange**

The Committee congratulated the officers on both an excellent report and the continued improvements that had been made to safeguarding and safe recruitment in Cambridgeshire schools.

It was resolved to:

- a) Note the update provided.
- b) To receive as part of the next scheduled update details of Early Years Safer Recruitment.

## **230. CONSULTANTS AND AGENCY WORKER DATA QUARTER 2**

Following an update to the Consultants Policy it was agreed to provide quarterly update reports on their use. This report outlined information in quarter 2, (July to September) and in addition, as requested previously by this Committee, provided Information on agency use and spend in the same quarter.

12 consultants were used in quarter 2 which was not considered significant in view of the size of the Council, its diverse nature of services and the shared working agendas that existed. This compared to 26 in quarter 1 and also reflected the improved management controls now in place. Details of each of the consultant placements and the expected end dates were provided in tables included in the report. 11 would be coming to their contractual end at the end of the quarter. In reply to a question it was explained that any management request for new consultants required review by the Director of Transformation and the Section 151 Officer.

Details were also provided of the numbers of agency workers used which showed a reduction in numbers for each of the months July, August and September, while also recognising that agency workers were required at certain times of the year. It was highlighted that in line with other local authorities, the highest level of agency worker use was within services providing social care, particularly children's social care. However CCC's number continued to be fewer than some other authorities. The majority of the quarterly spending was on individuals engaged to undertake qualified social care roles covering front line positions. Proactive work was ongoing to fill qualified social worker vacancies on a permanent basis and decrease the need for agency social workers.

Agency spending was equivalent to 5% of the total pay bill for employees in the quarter and had reduced by £0.9 million when compared to the same quarter in the previous year.

Questions raised included:

- Whether the changes to LGSS would have an effect on consultancy numbers? In terms of OPUS LGSS who provided agency services there would not be an impact, as it was a separate company part owned by the CCC and was not part of the LGSS shared services operation under review.
- Whether the Council had targets on the maximum number of agency staff the Council should employ. It was explained that there were monitoring measures employed by Finance to alert officers to any large overspends. As set out in the report, agency staff numbers had been reducing, but equally there would always be a need for some agency staff. It was explained that this would be difficult, as agency staff were only used when demand required them. However, there were monitoring measures used by Directors and Finance to alert officers to any variance in spending on agency staff. As set out in the report, agency staff numbers had been reducing, but equally there would always be a need for some agency staff.

The officers were thanked for an excellent report.

It was resolved to:

note the current data on the use of consultancy and agency workers.

## **231. REGISTRATION OF LAND PURCHASED FOR HIGHWAY PURPOSES**

This report updated the Committee on the Highways Assets project to register with Her Majesty's Land Registry (HMLR) circa 5,500 parcels of land purchased for highway schemes, as well as providing details in a separate confidential appendix of a list of highway land sites which might have possible, alternative uses. (Five of which were in Fenland) Any decisions on their disposal would be decisions for the Commercial and Investment Committee.

Key issues highlighted were that:

- Scanning and certification of the deeds to land purchased for highways purposes was completed in early 2018. Since that time officers had been lodging parcels with Her Majesty's Land Registry (HMLR) for registration under Cambridgeshire County Council's ownership. Parcels identified as having a particular value to the County Council had been submitted for expedited registration. HMLR continued to undertake registration of land parcels but the pace of registration remained slow.
- Discussions with HMLR, linked to targeting local government-owned assets for priority registration had resulted in HMLR offering to support the project as an example of best practice and providing additional resource (at no extra cost). This partnership work had resulted in savings of nearly £2500. As a result, the burden on CCC was now considerably reduced; and all that was now required was to convey copies of the deeds to HMLR. At the time of preparing the report over 4,700 deeds had been lodged to HMLR for registration and the expectation was that all deeds would have been submitted by early December 2019.

Issue raised included:

- Councillor French, who was a substitute at the meeting, requested that the separate confidential appendix should be sent to her for sites in the Fenland area. **Action: Asset Information Searches Manager.**
- The above Councillor highlighted that Fenland District Council (FDC) were finalising their Local Plan and any development requests would need to be lodged as soon as possible. The Asset Information Searches Manager advised that sites in Fenland had already been passed to Cambridgeshire County Council's Strategic Assets service for consideration of whether they could be submitted to FDC as potential sites for the Local Plan.

- In answer to a question on what would happen to the Team when the current project was completed, it was explained that they would carry on with their other main duties, as this had been an additional piece of work undertaken with the assistance from a temporary worker.
- With reference to paragraph 1.3 and the text reading “A further milestone report was delivered in May 2018 and included a list of highway sites with potential for alternative use in the South Cambridgeshire area” why had South Cambridgeshire been highlighted? This was as a result of them being able to allocate the necessary resources.

The Chairman thanked the officer and his team for an excellent report.

It was resolved:

To note progress to date with land registration and identification of land for potential sale or redeployment.

## **232. TRANSFORMATION FUND MONITORING REPORT QUARTER 2 2019-20**

This report outlined progress in delivery of the projects for which transformation funding had been approved at the end of the second quarter of the 2019-20 financial year

Issues highlighted included:

- To date, General Purposes Committee (GPC) had approved £19m of investments since the inception of the Transformation Fund in 2016. There was currently £20.7m funding available to allocate to further investments.
- Further proposals were being drafted as part of the Councils Business Planning process for 2020/21 budget and would be submitted to GPC for consideration in January 2020.
- Section 2.1 was a new report section showing the trend in the financial RAG (red, green, amber) rating over the previous four quarters for all current projects. It was explained that blue represented over-achievement against target, being a new colour having been adopted by the Council as part of the RAG rating system.
- There were currently no projects RAG rated as Red from a financial delivery perspective as at the end of Q2 2019/20.
- Further to a question previously raised at the Committee the Transformation team resource as at 30 Sept 2019 equated to 29.1 FTEs (Full Time Equivalents). These costs had been capitalised and were never financed from the Transformation Fund.

Questions / issues raised included:



- In reply to why the Adults Positive Challenge Programme was amber in the quarter, this was due to phasing in respect of putting some of the equipment in place and was not as a result of the assessment process. There was the expectation that the project would get back on track.
- In respect of the above project designed to recruit more in house foster carers the Chairman queried what would happen if the campaign was not successful? This would result in a greater reliance on Independent Fostering Association foster carers which the project was seeking to reduce.

It was resolved:

To note the report and the Impact of Transformation Fund investment across the Council.

## **233. PERFORMANCE REPORT – QUARTER 1 2019-20**

This new style performance report provided an update on the Council's performance Indicators summarising the performance measures monitored by service committees and highlighting those indicators that were 'Red' (current performance is 10% more than target) or 'Very Green' (current performance is better than target by 5% or more)..

The new style of report followed decisions by General Purposes Committee in July and had received positive feedback in the first round of presentation to service committees. There had been suggestions for improvements, including increasing text size and amending the information on some indicators. These would be made to be included in the reports due to be presented to service committees in December. Any decision to take remedial action (referenced in the recommendation) was for the service committees / General Purposes Committee.

Issues raised included:

- The Vice Chairman highlighting that the current performance indicators table showed 14 indicators at red but the appendix included 15 charts at red.
- Reiterated the point made at other Service Committees that the text was too small when reading from a hard copy agenda.
- The Chairman indicated that he would provide some comments (on the report format / information) to the lead officer outside of the meeting.  
**Action: Chairman**
- Page 71 Indicator 50 in reply to what 'GUM' stood for, it was Genito-urinary Medicines.

- It was suggested that on the first page of the appendix, only showing red and very green against the outcomes, it would be useful to add in brackets how many total indicators there were for each of the three main outcomes.
- Page 72 the key text on the bar chart diagram was very small.
- Page 72 explanation was requested on the statistic key on the left hand side of the page which showed an up red arrow for 'Direction for Improvement' but a different up arrow colour for 'Change in Performance' with current month's performance of 2.1% appearing to be well below the 6.0% target. It was not clear to Members if these were showing good or bad news. It was explained that this was highlighting an improvement on the previous month.
- Page 73 Indicator 18 Part 2 - Admissions to Residential and Nursing Care Homes ...etc - showing both a downward arrow for direction of improvement and change in performance - a question was raised regarding whether this was an inaccuracy in forecasting. It was explained that this was a cumulative indicator based on admissions each month and was the only measure in this format.
- Page 79 Indicator reading 'The number of children in care' with the direction of improvement showing as a down red arrow – a Member expressed concern at this, referencing a study she had seen from foster carers agencies suggesting a link to closures of children's and family centres and asked whether more data could be given on this. The officer indicated that analysis could be undertaken and while there could be a link, the trend had been for an increase over several years. What was more difficult to analyse was if this was the only factor, as there could be others that were also contributing to the increase. The officer was happy to look at the research paper to see if lessons could be learnt. The Member stated she was not making assertions regarding children centre closures generally, but was interested to know if it was a contributory factor in Cambridgeshire. **Action: Councillor Crawford to pass on the details of the survey to Tom Barden.**

It was resolved:

To note the report.

## **234. INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 30<sup>TH</sup> SEPTEMBER 2019**

This report with all recommendations having been agreed by General Purposes Committee earlier in the week provided financial information to be able to assess progress in delivering the Council's Business Plan. Issues highlighted included:

- The overall revenue budget position was showing an improved forecast year-end pressure of +£0.65m (+0.2%); largely within People & Communities (P&C) (£2.6m pressure), Commercial & Investment (C&I) (£0.5m pressure), and LGSS Operational (£0.4m pressure) partially offset by forecast underspends of -£2.0m in Place & Economy, -£0.5m in CS Financing and -£0.3m in Corporate Services.
- The Capital Programme was forecasting an -£21.4m underspend at year-end after the capital programme variations budget had been utilised in full.

Issues raised included:

- Page 105 query in the Revenue table as to why the forecast variance for the Commercial and Investment (C&I) line was showing a dash while every other line showed what the percentage variation had been. As the Service was income driven C & I felt it was unhelpful to include a figure which would be distorted alongside other departments' results, in terms of its magnitude and polarity.
- Page 105 query on note 4 referencing a £9.3m in general and corporate reserves requirements and what this change represented.  
**Action: The Head of Finance would look into this further and provide a response outside of the meeting.**
- Page 106 Older People's pressures – An explanation was requested on the last part of the paragraph in relation to the words “....the expectation that contributions would be higher....” And whether this meant this meant there would be increased pressure on the budget. This was in reference to client contributions with the Mosaic automated system now collecting more client contributions than originally forecast.
- In relation to querying whether the budget had been adequately forecast it was explained that 7% inflation had been built in for increasing costs of older people's beds, reflecting recent inflationary trends in prices.
- Page 107 paragraph 3.2.7 - Commercial and Investment - Contract Efficiencies – with reference to budget income underachieving due to delays in putting in place plans for how to meet targets relating to savings from contract efficiencies and additional income, the Chairman asked what the target expectation was for the following year. There was to be no increase in the target for the next year.
- Page 108 School Improvement Grant – whether it was possible to use some of the higher than anticipated grant to go towards a deficit elsewhere. It was explained that there was no spare cash to be re-directed, as it was required to be spent on Special Education Needs services.

- Page 111 - explanation requested under the heading in 7.4.4 Commercial and Investment on the forecast in-year underspend of £-26.5m. This was in relation to delays in planning permissions and therefore the capital loan would not be required in the current year.
- Page 115 – Balance Sheet level of debt outstanding for both adult social care and sundry – the actuals at end of September 2019 were far higher currently than the year-end target (Adult social care target £3.37m (actual £8.90m) Sundry target £1.71m (actual £4.19m)). The Committee would be expecting to see plans for how this would be addressed in the next report which was due to the January Committee meeting. **Action: Head of Finance Officer to inform Head of Revenues and Benefits.** It was indicated that since the end of September the adult social care figures had improved as a result of NHS invoice payments.
- Page 116 - Referencing Paragraph 8.6 stating “From a strategic perspective, the Council continues to temporarily utilise cash-backed resources in lieu of additional borrowing .....” the Chairman commented that this was fine until interest rates went up and suggested it might be time to consider taking on longer term debt. The Head of Finance highlighted that the Council had taken out £100m of long term debt in the summer during a period whilst interest rates were at historical low levels.
- Page 119 - Appendix 1 - Transfers between Services throughout the year – in respect of both the External Audit fees budget transfers and the 19/20 Council tax income generation proposal to precept income codes, these had been technical adjustments.
- Page 119 - Line reading ‘Greater Cambridge Partnership budgets not reported in CCC budget -602 **Action: Head of Finance to obtain an explanation on this and circulate outside of the meeting.**
- Page 120 Appendix 2 Reserves and Provisions County Fund balance Request for a more detailed breakdown of the £17m **Action: Head of Finance.**

It was resolved:

to note the report.

## 235. INTERNAL AUDIT PROGRESS REPORT

The Committee received a report outlining the main areas of audit coverage for the period to 31<sup>st</sup> October 2019 and the key control issues arising since the last update provided to the Audit & Accounts Committee on 24<sup>th</sup> September.

Section 1 listed Finalised Assignments and information on draft reports. More detail would be provided in the next update report in January.

Section 2 – provided a fraud and corruption update. It was not possible to provide more details on the two frauds referenced in the report as they were active investigations. In answer to a question raised regarding the suspected bank mandate fraud at a school, it was clarified that schools had been given advice regarding the risk in this area. The Chairman suggested that if the advice was only being given to maintained schools it should also be provided to all academy schools in the County. **Action: Audit and Risk Manager to liaise with the Schools Intervention Service to confirm how widely the information was circulated in respect of all schools in the County.**

It was highlighted that there had been a high level of whistleblowing referrals which was seen as a positive reflection on the increased publicity given to the procedure and how people could make complaints. There was a need to schedule the Annual Whistleblowing Report into the Committee's Forward Plan. *(Note: later in the meeting when discussing the forward work programme it was agreed it should be added as an item for the March meeting).*

Section 3 – set out an update on the implementation of management actions. This showed a continued level of improvement in terms of actions completed with Internal Audit continuing to follow up on actions outstanding. The Chairman still expressed concern that there were still 4 actions outstanding over three months and that the number of recommendations not implemented amounted to one third of all the actions.

Section 4 – provided a summary of the one completed audit with satisfactory or less assurance (Cost Recovery in Place and Economy). The Chairman made reference to issues he had with the Council not invoicing him for works carried out. As a result, he was interested in the follow up to the recommendation on the purchase of the time recording software (designed to help improve cost recovery) and whether further Internal Audit verification work would be required. The progress on the recommendations would be included as part of the normal implementation of management actions update and if further internal audit work was required, this would be reported back as part of the update on the Audit Plan.

Section 5 provided details of Other Audit Activity Updates / pressures / suggested changes to the Internal Audit Plan to enable the Service to complete its priority areas. Pressures highlighted where additional work / time was required to be undertaken were in relation to the following:

- Manor Farm Tenancy Investigation and associated work
- Rental income on properties owned by the Council
- Contract Management Policy and Guidance (in order to provide new guidance and support to staff working in contract management).
- Highways Contract Open Book Review
- LGSS Law review

- Home and Community Support Services Framework Contract
- Provision of Section 17 Financial Assistance
- Committee reporting.

The following had been identified as requiring less Audit time for the reasons stated in the report:

- Waste PFI
- Project Assurance of High Risk Projects

The following audits were recommended to be removed from the 2019-20 Plan and deferred until 2020/21 for the reasons set out in the report:

- Contract Management Cambridgeshire Energy Performance Contracting Project
- Contract Management – Integrated Drug and Alcohol Treatment System
- Most Economically Advantageous Tenders
- Key Performance Indicators
- Street Lighting PFI
- Strategic Approach to Schools Charging.

The following were proposed to be removed from the 2019-2020 Plan for the reasons provided in the report:

- National Productivity Fund and Cambridgeshire Challenge Fund
- Safeguarding the Assets of Clients in External Establishments.

With reference to paragraphs 3.2 and 3.3 of the cover report it was clarified that reporting on the work being undertaken by Internal Audit on Manor Farm and the Farms Estate was covered by Purdah and therefore could not be reported in detail at the current meeting. It was hoped that the report could be finalised for reporting to the 28<sup>th</sup> January Committee. It was confirmed it would be transparent and in public.

In discussion:

- Page 141 Internal Audit Plan - with reference to clarifying the heading reading “Provision of Section 17 Financial Assistance” this was the provision in the Children’s Act to incur expenditure on vulnerable children.
- In respect of the contingency days built into the Audit Plan at the start of the year it was explained that pressures such as the Manor Farm and Ely bypass investigations had used them, hence the changes being proposed.

- Questions were raised regarding who agreed the final changes to the Audit Plan. It was explained that the Audit Plan was required to be flexible and any proposed changes to the Plan had to be discussed with the Chief Internal Auditor and the Section 151 Officer. The Committee always had the opportunity to propose variations when proposed changes to the Plan were brought to the Committee as part of the Internal Audit Progress Report updates.
- A question was raised regarding who was the final decision maker if the Committee wished to add or delete any investigations. It was explained that the Chief Internal Auditor was the final arbiter on changes, but was unlikely to oppose any request for a review from a Committee. The decision not to go ahead with a request would be determined on the basis of sufficient staffing resources being available and if it was not to the detriment of being able to complete required core Internal Audit functions.

It was resolved to:

Note the report and agree the proposed changes to the Audit Plan listed above.

## **236. FORWARD AGENDA PLAN**

With reference to the Accounts Process Action Improvement Plan scheduled for the January Committee it was highlighted that the 2018-19 Accounts had still not be signed off. The Head of Finance highlighted areas of change that were still being reconciled with EY, including financing the Capital Programme (MRP). However no material changes to the Accounts had been identified as being required and EY were now on their final checks.

Referencing the last entry on Reports to be programmed - BDO External Audit Final Report on investigations into challenges received on the 2016-17 and 17-18 Accounts' as there was still no firm date for a report back to the Committee after 18 months, asking whether legal action could be taken. The first stage was the complaints letter from the Chairman on behalf of the Committee to BDO partners referred to earlier in the meeting and referenced in Appendix 1 to the Minutes. The next stage if no satisfactory reply was received and ensuring that all discretion had been used to allow BDO to complete their work, was to approach the PSSA who managed External Audit contracts.

It was resolved:

To agree the Forward Agenda Plan with the following additions:

On the 28<sup>th</sup> January 2020 meeting an update on BREXIT following the general election.

24<sup>th</sup> March meeting:

- Annual Whistleblowing Review and Staffing Survey
- Include with the already scheduled update report on Safer Recruitment in Schools Update, a review of Early Years Safer Recruitment.

**237. DATE OF NEXT MEETING 28<sup>th</sup> JANUARY 2020**

**CHAIRMAN**  
**28<sup>th</sup> January 2020**