

Appendix B

Summary of Outstanding Recommendations – under 3 months

(Recommendations due as at June 30th 2021)

Audit	Risk level	Summary of Recommendation	Target Date	Status
GDPR	I	The Information Register is not complete and reviewed on a regular basis: DPO to ensure that a continual review of the Information Asset Register is undertaken and any gaps are reported to the Information Management Board including escalation to the relevant Director.	30/04/21	<p>The IG Service is looking at how best to bring together the information asset registers for both councils (CCC & PCC) into one to ensure that they have visibility across both organisations with consistency in how assets are described. This also requires the engagement of services as a full understanding is needed regarding the information held and shared, especially given the impact of COVID 19 on the need to process new information and share with new partners. Most of the work requires input from services and the pressures on services during the pandemic has meant that progress has been slowed. However, the IG service has been able to reorganise itself to dedicate greater resources to review the registers - gaps have been identified and therefore the service is able to address any issues or urgent updates in the meantime.</p> <p>A paper will be going to the Information Management Board in September to set out the plan with services.</p> <p>Revised target date 30th September 2021</p>

Key Policies and Procedures	I	<p>Policy Framework: A policy framework document should be drafted which includes:</p> <ul style="list-style-type: none"> • A definitive list of CCC's key policies • links to each policy or where to find them • The update schedules for each • Whether any particular legislation must be taken into account when updating • Whether legal advice is needed on updating (to prevent misinterpretation of legislation) • Who is responsible for updating each policy • Who needs to approve changes to the policy (e.g. JMT or service committees) • Templates and Guidelines for the creation of new policies (e.g. is an Equalities impact assessment needed)" 	30/04/21	<p>The Head of Policy, Design and Delivery confirmed that work on this recommendation is underway, however has been delayed due to vacancies (recruitment underway), commitments in existing projects and the policy and strategy work in the Joint Agreement Action Plan.</p> <p>Revised target date 31st August 2021</p>
This Land	I	<p>A calendar of operational liaison meetings: A calendar of operational liaison meetings between This Land and key Council officers managing the relationship should be established with administrative support to ensure these are fully documented and an action plan is in place. These should have a set agenda in advance and regular discussion items such as KPI source data, Health and Safety related matters and progress against all developments.</p>	01/04/21	<p>Director of Resources & Chief Finance Officer: The next set of dates for these meetings are being arranged with This Land. These will continue to have a set agenda in advance. Greater priority is needed to KPI data and Health & Safety (drawing on the monitoring surveyors report) and further input from within CCC is being requested.</p> <p>Revised target date: 31st July 2021</p>
This Land	I	<p>Annual Assurance Statement: An annual assurance statement should be provided to the Shareholder considering whether or not a sound system of internal control exists within the company and that the obligations documented with the Loan Facility Agreements have been met. An independent Internal Audit function should deliver an annual opinion on whether this is in place and highlight any areas of concern. As a wholly owned company of the Council, a public body, the requirements of the Accounts and Audit Regulations apply and therefore the Council's Audit</p>	01/05/21	<p>Director of Resources & Chief Finance Officer: The This Land audit committee has accepted CCC's request to engage its own internal audit function. CCC has seen the specification for internal audit works which have been sent to three independent firms, and we are in agreement with this.</p> <p>We will request the annual assurance statement as part of the AGM and statutory accounts process.</p>

		Committee has responsibilities to be assured regarding the governance, control and risk management operating within the company.		Revised target date: August 2021
This Land	I	<p>Governance arrangements: A formal document is produced and presented to C&IC (as Shareholder) containing governance arrangements of:</p> <ul style="list-style-type: none"> • Reporting to Shareholder; • Corporate performance indicators for delivery against the benefits identified; • Business plan; • Financing the company; • Reserved matters; • Risk, Audit, and internal control <p>This could be a development of the drafted Memorandum of Understanding or a separate document which should be discussed and agreed by the committee, with changes made if necessary. Implementation of this recommendation would substantially increase the audit opinion.</p>	01/06/21	Revised target 30/9/21
Community Capital Fund	I	<p>Committee reporting: The Communities and Partnerships Committee is given quarterly updates regarding the implementation of projects awarded funding from the Community Capital Fund.</p> <p>These updates should be comprehensive, providing updates projects currently underway assurance that completed projects have successfully delivered the agreed outcomes. This should be informed by monitoring arrangements so that officers can be satisfied that projects have been successfully delivered and completed. Updates should cover whether spend is in line with the Grant Agreement and highlight any areas of concern.</p> <p>Reporting should continue until all projects awarded</p>	31/05/21	<p>A paper had been prepared for Committee but this was delayed due to the election period and subsequent changes to the committee structure post-election. An updated paper will be presented to the new committee in July.</p> <p>Revised target date: 31st July 2021</p>

		funding have been completed.		
AP 20/21	I	<p>Manual Uploads:</p> <p>The AP service should develop a business case that can be used to outline the case for services using/continuing to use manual upload spreadsheets.</p> <p>Each service currently submitting manual upload spreadsheets should then be contacted and required to complete the business case. AP management should then review each case with appropriate regard for purchasing controls and efficiency within AP and the impact on each service. Any service where the business case is rejected could be given a documented grace period while they put new operational processes in place.</p>	30/06/21	<p>All clients are required to complete an Approval Spreadsheet Request form on which the spreadsheet owner is required to specify a valid business case for using the spreadsheet template process which will be reviewed by the AP team and Finance/ Section 151 if necessary.</p> <p>The Service has informed Internal Audit that this recommendation has been implemented but has not yet provided evidence for Internal Audit to review and confirm implementation.</p>
AP 20/21	I	<p>Supplier Review:</p> <p>A review of Virgin Media Ltd suppliers in ERP gold should be undertaken with the aim of reducing the number of suppliers for that company and ensuring that the instances where Virgin Media Ltd is set up for non-commercial payments are either deleted or disabled.</p>	30/04/21	<p>A Duplicate Suppliers report is now available in ERP to identify suppliers with duplicate payment sites. In addition to the BAU processes above, an exercise will be undertaken specifically to review the Virgin Media Ltd suppliers but this has been delayed due to the high priority of implementing the new local government structure in Northamptonshire. This action has also been delayed as any open orders on the relevant supplier records need to be reviewed and closed in advance.</p> <p>Revised target date: 30th September 2021</p>
AP 20/21	I	<p>Supplier Review:</p> <p>A review of suppliers in ERP should be undertaken to identify any further instances where the same company is set up as both a commercial and non-commercial</p>	30/06/21	<p>To mitigate this risk the New Supplier Request form advises the user to check that a supplier record does not exist in ERP and the Suppliers team is required to complete further checks to</p>

		supplier. Each case should be reviewed to establish if the existence as both supplier types is appropriate and if not if should be determined which supplier instances should be deleted or disabled.		<p>prevent duplicate supplier records being set up in ERP.</p> <p>A Duplicate Suppliers report is now available in ERP to identify suppliers with duplicate payment sites and this will be used to undertake an exercise to identify and review any existing suppliers that are set up as both commercial and non-commercial types.</p> <p>Revised target date: 30th September 2021</p>
Feeder Systems	I	<p>Early Years Grants:</p> <p>The Early Year's Funding Coordinator should consider implementing an audit programme of childcare providers to sample check attendance records and confirm that all children for whom providers are receiving payments are still attending the providers settings. This would not need to involve an actual visit to providers but simply a requirement for them to provide attendance records to the Early Year's Funding Team for review.</p>	30/06/21	<p>The Early Years Funding Team have drafted and prepared a draft review programme. They have identified the first group of providers to be audited with the plan to conduct the first reviews in July 2021</p> <p>Revised target date: 31st July 2021</p>
DR 20/21	E	<p>Aged Debt Review:</p> <p>An exercise should be undertaken to review all debt over 12 months old. The aims of this exercise should be to halt rising aged debt levels and reducing existing aged debt. The review should include:</p> <ul style="list-style-type: none"> • An examination of causal factors behind aged debts • Identifying process amendments to address any causal factors identified • An examination of each customers aged debt to determine: • Whether action from the service who raised the invoice is required • What recovery activity should be undertaken • Whether the debt is considered unrecoverable and should be written off. 	30/06/21	<p>Service Review meetings have been implemented with services, including Adult Social Care. Meetings include the sharing of granular data and categorising debt by complaint code, age and service, to enable targeted communication and actions.</p> <p>The sharing of the data is allowing closer working with Finance Business Partners, who in turn are working with Budget Holders to support debt recovery and any further action required. A review is currently underway and activity includes:</p> <ul style="list-style-type: none"> • Detailed debt reports being shared with key stakeholders to understand factors behind the aged debts • To support identification of factors behind debt, it will be a requirement that all debt is annotated

				<p>and a complaint code to categorise. This is work in progress to enable trend analysis and to support process improvements.</p> <ul style="list-style-type: none"> • A review of the current write off process is underway, including the management of payment plans. Principals for write offs are being developed and will be included in our simplified Debt Recovery Principals for Budget holders which is currently in Draft. <p>Debt improvement groups are being implemented to work with services, including ASC, to establish debt principles for recovery. Once these are established the exercise to specifically review aged debts will proceed.</p> <p>Revised target date: 30th September 2021</p>
DR 20/21	I	<p>Aged Debt Reporting: A report should be developed in ERP Gold to identify any debts that will become over 12 months old within the next 30 days. This should be run on a monthly basis to enable a targeted review of those customer accounts to allow to determine whether any action can be taken to deal with the debt at that stage. These reviews could operate as a triage meeting where Debt Recover Management review what action has been undertaken, and whether that action was timely and compliant. As well as an opportunity to deal with any specific customer issues this would also highlight potential instances of non-compliance with procedures that could then be addressed.</p>	30/06/21	<p>Service Review meetings have been implemented with both Finance Business Partners and Adult Social Care where a granular debt data is shared. This has already improved engagement with key areas who now have the management information to review debts with Budget Holders.</p> <p>The Service has informed Internal Audit that this recommendation has been implemented but has not yet provided evidence for Internal Audit to review and confirm implementation.</p>

DR 20/21	I	Debt Collection Agencies (DCAs): Referrals to DCAs should be undertaken on a monthly basis to ensure this key recovery activity is undertaken on a timely basis. This should support improved timely recovery of debts and should have a positive impact on cash flows. This will also ensure that further debt recovery activities/write off decisions can progress quickly where external agencies are unsuccessful in collecting debts.	30/06/21	DCA referrals are undertaken on a regular basis from within ERP, via a report that identifies each account that is of the appropriate status to reflect that the next step is for the case to be referred to external DCA (level6). The Service has informed Internal Audit that this recommendation has been implemented but has not yet provided evidence for Internal Audit to review and confirm implementation.
DR 20/21	I	CCG Debt: The Debt Service should meet with Corporate Finance to agree a target date for when the CCG account will be reconciled and hold regular meetings to monitor progress. It is important that this account is reconciled as a matter of priority so that debt recovery is not adversely impacted by this issue.	30/06/21	CCG is now discussed in the monthly Service Review meetings that have been implemented. A reconciliation of the CCG debt will become part of standard BAU processes. High level discussions are ongoing between Finance, including the S151 Officer, and CCG on this matter. CCG accounts have been streamlined and Finance are liaising with budget holders to ascertain any potential billing issues that may be impacting this area. Revised target date: 30 th September 2021
DR 20/21	I	CCG Debt: The Debt Service should arrange a review of the CCG account (with particular regard for invoicing/payment processes) in conjunction with Corporate Finance and the Income Processing Team to establish the root causes of the problem/s that have led to the current position of the CCG account and put measures in place to ensure this does not happen in the future.	30/06/21	CCG is now discussed in the monthly Service Review meetings. Some of the original Debt problem stemmed from the implementation of ERP where payments were allocated on an oldest first approach. This has particularly caused issues on the CCG accounts due to the sheer volume of invoicing, and part payments made by the CCG. A new CCG Account has been set-up to help address the problem going forward. High level discussions are ongoing between Finance, including the S151 Officer, and CCG on this matter. CCG accounts have been streamlined and Finance are liaising with budget holders to ascertain any potential billing issues that may be

				<p>impacting this area.</p> <p>Revised target date: 30th September 2021</p>
DR 20/21	I	<p>KPIs and targets:</p> <p>KPIs and targets for debt recovery should be introduced. High level targets should be agreed with clients at a senior level, and KPIs and performance measures should be introduced within debt teams for DR Officers.</p>		<p>The service has agreed with the Partnership Board to report Management Information to support the successful management of Debt. They are currently considering implementing a KPI for all debt over 90 days to have a complaint code applied to 95% of transactions but this will require new reports be developed.</p> <p>Individual targets will be introduced by the end of Q2 to drive team and individual performance, as these are not currently in place effectively.</p> <p>There are currently working groups in place to agree key principals around debt provision, aligned to an agreed collection strategy.</p> <p>Revised target date: 30th September 2021</p>
DR 20/21	I	<p>Bad Debt Provision:</p> <p>The bad debt provisions at CCC and NCC should be reviewed and discussed with the Heads of Finance to provide assurance that current bad debt provisions are adequate. If these reviews determine bad debt provisions are not sufficient then they should be amended and agreed with the Heads of Finance.</p>		<p>A review of the bad debt methodology has been undertaken with the outcome being a new process where the bad debt provision is calculated and updated on a monthly basis and included in debt reporting.</p> <p>The Service has informed Internal Audit that this recommendation has been implemented but has not yet provided evidence for Internal Audit to review and confirm implementation.</p>

Capital Programme Governance Review	I	There are 26 recommendations in the Capital Programme Governance Review report that became due for implementation on 30 June 2021.	30/06/21	<p>Work to establish progress with these recommendations is being progressed as a separate exercise. Internal Audit is working closely with the Executive Director of Place and Economy to determine the scope and approach to this work. A progress report from the Project Assurance Group, which involves audit and finance colleagues working with the service, is being prepared for the Executive Director to assess progress against the management actions from the audit. A further progress report will be provided in 6 months time to review progress with embedding improvements to the control environment across the Highways and Transport area which will, by that point, be led by a new permanent senior management team, which is currently being recruited.</p> <p>Revised target date: 30/9/21</p>
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Summary of Outstanding Recommendations – over 3 months

(Recommendations due as at June 30th 2021)

Audit	Risk level	Summary of Recommendation	Target Date	Status
Fostering Contract Management	I	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	01/10/19	<p>The process for the Access to Resources Team to request discounts / negotiated fees for provisions where Home to School Transport is provided is in embedded into the team processes. It is noted however that at present there is no formal process recorded (that is to say, the team have a procedure they undertake, but this is not a documented procedure).</p> <p>Commissioning are in the process of formalising</p>

		<p>also be noted on the placement plan.</p> <p>Given the values involved, consideration should be given to calculating the potential over payments made in previous years to inform a decision as to whether or not these sums should be recovered.</p>	<p>the procedure and seeking ratification for it from senior managers; this process may take up to three months. As outlined previously, Access to Resources are not able to apply a 'blanket approach' to home to school transport – there are situations where a carer travels a significant distance for contact or where children attend school in two different directions, where it would not be appropriate to request a discount for transport, but this is considered on a case by case basis; the process will reflect this.</p> <p>The Access to Resources Team have also been reviewing historic arrangements where children in placements with independent fostering agencies are accessing Home to School transport provided by the Local Authority Home to School Transport Service. We have reviewed the position and would recommend not pursuing any further discounts for 'historic' placements. In many cases, placement providers have not requested fee uplifts which means that the Council are currently paying a lower fee for the placement. Continuing to pursue this issue risks a negative impact on our relationship, resulting in increased costs elsewhere in what is a sellers market where there is an acute shortage of foster placements. In the context of the current challenges in sourcing fostering placements for children and young people in care (capacity in this market, both regionally and nationally does not meet demand), we no longer consider it in the Council's best interests to progress with negotiations for historic discounts.</p> <p>We have approached regional neighbours who have confirmed that they do not request these discounts. This further risks weakening</p>
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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 implementation of this recommendation has been delayed due to the restructuring of the service and the required staff consultation taking priority.</p> <p>However, new systems are in place and the payments policy has now been drafted. A consultation with Foster Carers at both CCC and PCC will to be undertaken as the next step prior to fully implementing the finalised policy.</p> <p>Revised target date: 31st July 2021</p>
18/19 Ely Bypass Review	I	Limits on Delegated Authority: 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.	31/10/19	<p>Following the departure of the previous Service Director for Highways and Transport, the Internal Audit team has contacted the Council's monitoring officer to progress and close this action.</p>

				Revised target date: 31 st July 2021
P&E Cost Recovery	I	<p>Time Recording Software: 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 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. • The software should also be user friendly and simple for staff to use and provide management reporting. 	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 as planned.</p> <p>The latest update from the service confirmed that a system that can be added onto MS Teams has now been identified but the implementation will take some further time.</p> <p>Revised target date: 31st July 2021</p>
Accounts Payable 19/20	I	<p>Supplier Amendment: A review of supplier classification and set up in ERP Gold should be undertaken with the desired outcome to ensure that only individuals such as care customers are classified as non-commercial suppliers in the system.</p>	31/12/20	<p>Progress on this action has been delayed due to a change freeze in ERP Gold, and also by the impact of the pandemic/priority work on the future Northamptonshire project. Work on this is now progressing, linked to other changes in ERP to further strengthen the supplier amendment process. This has increased the complexity of the build so more time is required.</p> <p>Revised target date 30th September 2021</p> <p>It should be noted that the 20/21 AP report gave good assurance over controls and compliance.</p>

Accounts Receivable 19/20	I	Income allocation is not monitored with data and performance against targets regularly reported: SMART KPIs should be developed and put in place that will support effective monitoring of performance.	31/01/21	<p>The implementation of this recommendation has been delayed due to the impact of the pandemic/the LGSS review and transition to the lead authority mode. In addition, the service was prioritising the future Northamptonshire project work. However, Income/Suspense performance is discussed at service review meetings and is a standing agenda item.</p> <p>The service aims to include additional income performance statistics within the new debt and income performance report by the end of Q2 and are looking to understand what additional reports can be obtained from ERP.</p> <p>Revised Target Date: 30th September 2021</p> <p>Whilst this action remains outstanding it should be noted that the 20/21 AR gave good assurance over controls and compliance.</p>
Accounts Receivable 19/20	I	<p>Income allocation is not monitored with data and performance against targets regularly reported: Reporting should be amended to provide information to management, including data on KPIs, to allow for effective monitoring in key areas relevant to performance. This should be provided on a monthly basis and include:</p> <ul style="list-style-type: none"> • New suspense items cleared - value and volume • New suspense items cleared in that month - value and volume (a KPI associated with this would be better than 3 days clearance) • Total value and volume cleared each month • Volume & value (and percentage) of aged suspense items relating to each previous month) • Performance against agreed KPIs • This will help provide context to performance and help drive performance in a way that current reporting cannot. 	31/01/21	<p>The implementation of this recommendation has been delayed due to the impact of the pandemic/the LGSS review and transition to the lead authority mode. In addition, the service was prioritising the future Northamptonshire project work.</p> <p>Further discussions are required with Finance Business Partners regarding the introduction of a fortuitous income code.</p> <p>Income suspense is reported on a monthly basis to Finance Business Partners with a RAG status and suspense items broken down into age profile. Current reporting will be enhanced and developed to include the bullet points in the recommendation so that reporting provides detail of the timeliness of suspense account clearance each month.</p>

		<p>Last year it was recommended that any aged items in suspense should be allocated to a fortuitous income code once all proportionate investigations had been unable to allocate the payment. This is progressing but has not yet been fully implemented and embedded across all three clients yet. Once implemented, data on aged items allocated to fortuitous income should be included in reporting.</p>		<p>Revised Target Date: 30th September 2021</p> <p>Whilst this action remains outstanding it should be noted that the 20/21 AR report has now been completed which gave good assurance over controls and compliance.</p>
Complaints	E	<p>Complaints Policy and Guidance: The review highlighted that the Council was operating without either a Corporate Complaints Policy or detailed guidance on local operating procedures. Instead, a corporate complaints leaflet with minimal details was in place.</p> <p>There was no consistent process in place for dealing with complaints across the Council. Instead inconsistent local processes were in place in different directorates and services.</p> <p>These issues have been identified by the Council and plans are in place to introduce a Corporate Feedback Policy and implement a digital complaints solution across the Council to replace the various spreadsheet based local processes.</p>	31/03/20	<p>The Director Customer & Digital Services has advised;</p> <p>“The policy and guidance are now in place. However, to assist with the implementation of this policy the service planned to implement a digital complaints management solution. Progress with this system was impacted by pressure on the LGSS Digital team through the height of the pandemic, when work had to be re-prioritised to support our COVID response. This team was then impacted by the re-patriation of staff from LGSS to the various LGSS partner authorities in October 2020 and by the backlog of digital work, particularly the creation of on-line forms, which again had to be carefully prioritised. Progress is now being made, the system has been developed and testing is currently taking place. On the assumption that the testing progresses well we expect that the recommendation will be fully implemented by 30th September 2021”.</p> <p>Revised target date: 30th September 2021</p>

Complaints	I	<p>Complaints Monitoring: The current complaints processes do not include any corporate monitoring or reporting mechanisms. Without these it is difficult to assess whether complaints are being acknowledged investigated, escalated or responded to in line with procedures and timescales. It is also difficult to assess the number, nature and type of complaints received by the Council. This is important to support the identification of thematic issues and drive service improvement.</p> <p>The introduction of the corporate Feedback Policy and the new digital complaints solution provides a timely opportunity to introduce monitoring and reporting arrangements.</p>	01/10/20	<p>Reporting is planned to commence once the digital complaints solution has been implemented and new processes have been embedded (see above).</p> <p>Revised Target Date: 31st December 2021</p>
This Land	I	<p>Corporate Risk Register: The council captures the risks associated with This Land on its corporate risk register.</p>	01/03/21	<p>A review of the corporate finance risk is being undertaken and will include risks associated with This Land.</p> <p>Revised target date: 31st July 2021</p>