

	ASSURANCE GAP / PROPOSAL TO MITIGATE	PROGRESS	RESIDUAL STATUS
2018/19			
19.05	BUSINESS CONTINUITY (Lead: Corporate Director of Resources)		
	<p>To ensure that the work undertaken in 2018/19 is completed and updated on an ongoing process to ensure that the Council can operate and deliver to customers in times of crisis.</p> <p><u>Proposal:</u> Review all departmental Business Continuity delivery plans in Q1 and Q4 of 2019/20 to ensure the points raised in 18.6 above has been delivered. Conduct a yearly full business continuity test during 2019/20.</p>	<p>Council officers have been successfully working remotely since March 2020 due to Covid-19.</p> <p>This has actively been used to coordinate responses in relation to Covid-19. Regular reviews are undertaken to ensure that remains valid.</p> <p>There has been no disaster recovery testing in the last 12 months and this increases the residual risks against the Council. It will be activated in 2021.</p>	<p>A recent follow up audit by Internal Audit has identified minimal progress in addressing issues previously raised. Timescales have all been revisited.</p> <p>Emergency Planning is a shared service with County. The Council lead is currently on maternity leave. Ongoing works throughout has been linked with Covid-19.</p> <p>The Lead Officer now is the Director of Customer and Digital Services, although all Directors / Senior Management have a responsibility to develop and maintain effective plans.</p> <p>Business Continuity Plans are localised across all services. This are all subject to refresh. As an example of in-year changes, substantial effort was in place in relation to adaptations to the computer server room in order to ensure smooth transfer for the use of it by County Council systems.</p> <p>UPDATE ACTION</p>

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2019/20			
20.01	<p>BALANCED BUDGET (Lead: Corporate Director of Resources)</p>		
	<p>The Council has set a balanced budget for 2020/21. This is based on a number of transformation projects being delivered. This includes HR business model; Improved financial control; Finance Business Partner model; Increase in automation; Increase in shared services; and Reduction in staffing levels</p> <p><u>Proposal</u></p> <p>While the various projects are managed there is the risk that if not implemented on time that savings will not be achieved. In the worst case scenario this could lead to the need to issue an s114 letter.</p> <ul style="list-style-type: none"> • Conduct a set of reviews during spring 2020 in order for the Council to come as close as possible in the July 2020 Council meeting to approving and implementing the 2021/22 budget as per the Robustness Statement in the 2020/21 MTFS. • Put in place monthly monitoring process that ensures that all 2020/21 and future years savings proposals are ragged against delivery and ensure these are reported to Joint Management Team and then Cabinet. • Set out mitigation steps where delivery cannot be met. • Link overall Council Viability to item 20.02 and 20.03. <p>The “Going Concern” Note 44 sets out the Council’s position at November 2020 and the “material uncertainty” on maintaining current service levels that the External Auditors highlight as a significant risk due to the Council’s existing financial position and the financial effects of Covid-19.</p>	<p>Reviews took place in January to March 2020 which identified possible savings options of £12m of the total £14m 2021/22 deficit. These were then impaired down to £3m due to Covid-19.</p> <p>Significant budget gap identified for future years 2021/22 onwards due to the nature of Covid-19 and the Councils underlying financial position.</p> <p>Regular communications were held with MHCLG in relation to the budget. An independent review was undertaken which confirmed the extent of the funding required to enable to balance the budget. Auditors have commented on the transparency of the Council’s position.</p> <p>This was acknowledged and appropriate funding was granted by MHCLG to close the gap. Nevertheless, future year budget gaps remain and these will need to be assessed and a continued.</p> <p>MHCLG financial and Governance review due on site at the Council in July 2021 to validate overall financial support and a path to sustainability in future years.</p> <p>The increasing need for and cost of demand led services such as social care, temporary accommodation and no recourse to public funds creates significant pressures on budgets. These pressures are anticipated to continue for 2021/22 and beyond and will continue to need close monitoring and robust management action.</p> <p>The government have delayed the review of relative needs and resource and the 75% business rates retention will no longer be implemented in 2021/22 to allow councils to focus on meeting the immediate public health challenge posed by the pandemic. However, there is still a risk due to the uncertainty of the government funding of local government which creates a challenge in terms of budget setting and medium term financial planning.</p>	<p>Throughout 2021 there has been ongoing monitoring of the budget and reported through to Cabinet. In addition the Council also had inspection / early intervention reports from government (which also looked at governance arrangements).</p> <p>These 2 reports identified gaps in some processes but was also complementary in relation to a number of the initiatives which had been put in place for progression towards a balanced budget, such as the Rapid Improvement Team. Each identified a series of recommendations and these have been bought together in an overarching Improvement Plan. Items identified include downsizing on the capital programme, reviewing assets and delivering services differently. Clear timelines are set out in the Plan to balance to a sustainable budget.</p> <p>Mid-January 2022: Budget papers prepared which set out a balanced budget for 2022/23 subject to agreement by politicians at Full Council</p> <p>March 2022: Balanced budget approved.</p> <p>WHILE IT REMAINS AS AN ONGOING NEED, IT IS SUBSUMED INTO OTHER FINANCIAL ACTIONS.</p>

	ASSURANCE GAP / PROPOSAL TO MITIGATE	PROGRESS	RESIDUAL STATUS
20.02	<p>COVID-19 (Lead: Corporate Director of Resources)</p>		
	<p>Since mid-March 2020, the Council has diverted its resources to focus on providing active support across Peterborough and the surround as part of its reaction to tackle Covid-19.</p> <p>Linked to 20.01 above, there is a risk that costs incurred outweigh the levels of funds received from Central Government.</p> <p>Emergency procedures put in place need to be reviewed to ensure that effective governance is in place to protect Council / users etc.</p> <p><u>Proposal</u></p> <ul style="list-style-type: none"> • Robust risk management processes followed to ensure effective monitoring of key risks whether relating to response to Covid-19 or return to business as usual • Ensure processes are in place to estimate, document and then report on Covid-19 expenditure items. • Assess 2020/21 budget and income streams for non-deliverable items and link to overall 2020/21 Financial monitoring and the 2021/22 MTFS requirements • Set up formal reporting structures to Joint Management Team, Cabinet Government and the LGA to set out the Council position. • Set up a lobbying strategy to ensure best results for the Council • Have a robust recovery plan to ensure that moves back to “normality” have been properly evaluated to minimise cost/lake advantage of changes to service delivery to deliver a revised product to the public 	<p>The council has adhered and responded at pace to government guidance in response to the pandemic. Priorities changed to focus on the need to distribute emergency funding to vulnerable residents and businesses and to support essential services. BAU changed to accommodate this, but key processes and functions have been maintained.</p> <p>An ongoing assessment of the impact of the coronavirus pandemic on council services and council systems continued throughout the year in line with good financial governance. This was reported to MHCLG monthly.</p> <p>The 2021/22 MTFS reflects the impact of the pandemic.</p> <p>The council will look to ensure that the additional spending and loss of income (particularly from council tax and business rates) are fully recovered from central government. The council has maintained a log of all spending commitments and income losses relating to the pandemic to enable full accountability.</p> <p>Financial stress on major service contracts such as leisure and construction, a fall in commercial property income and a delay to capital programme works has been assessed in the medium and longer term. One impact has resulted in the leisure contract returning to the Council.</p> <p>Ongoing discussions have been held with MHCLG which has seen additional funds provided in order to balance the budget.</p> <p>See 20.01 for links to MHCLG Reviews.</p>	<p>Overall grants administration coordination through Finance (with separate folders monitoring and reconciling for government returns) as well as links within Revenues and Benefits for business grants. Delivery of services to the public is through the Coordination Hub.</p> <p>A separate Covid-19 risk register was developed at the start of the pandemic for all departments including BAU but following initial relaxations after first wave these were incorporated into individual departments as part of BAU etc. Monitoring of these risks and delivery was through JMT Gold.</p> <p>Regular monitoring enabled PCC to obtain additional monies as part of enhanced status – as a result of lower levels of take up of vaccinations based on the demographics across the area.</p> <p>WHILE THE THREAT OF NEW WAVES OF INFECTION REMAIN, WITH THE AMALGAMATION OF RISKS WITHIN BAU AND CHANGES ACROSS THE AUTHORITY IT IS SEEN APPROPRIATE TO CLOSE THIS ACTION.</p>

	ASSURANCE GAP / PROPOSAL TO MITIGATE	PROGRESS	RESIDUAL STATUS
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20.03	<p>COUNCIL STRUCTURE (Lead: Joint Management Team)</p>		
	<p>Linked to 20.01 and 20.02 the current situation has identified that the Council can operate outside of its main hub. There is a need to review the current arrangements to ensure that they meet future needs / pressures.</p> <p><u>Proposal</u></p> <ul style="list-style-type: none"> Review all services presently halted for critical assessment of if they continue in the future – Opportunity. Evaluate with Government potential length of the Covid-19 emergency and what “business as usual” will mean at the other end Have in place recovery and re-implementation strategies for key services 	<p>The Council has worked in an agile nature for the whole of 2020/21 and will continue to do so until Government advice changes.</p> <p>Team Charters have been updated to reflect expected working patterns post Covid-19.</p> <p>Recovery Board discusses new way of working cross Council for escalation to JMT and Members for approval.</p> <p>MTFS includes assumptions of how the Council will work in the future, including estimates of ongoing demand for services.</p> <p>Also see commentary in 20.01 and 20.02.</p>	<p>The Council has embraced agile working throughout the pandemic. BAU has been maintained during this time – albeit in the initial period a number of services were curtailed.</p> <p>As the Council has come out of lockdown and with serious financial pressures a number of external reviews have provided recommendations how the Council can move forward in a more sustainable way. These will all be coordinated through the Improvement Panel and the associated plans.</p> <p>As part of these plans</p> <ul style="list-style-type: none"> Review services to ascertain if still need to be provided Implement change <p>In addition, there has been change in leadership following the retirement of a number of senior officers. A new vision is required to take the Council forward and will also consider a review of the structures.</p> <p>THIS ACTION TO REMAIN</p>

	ASSURANCE GAP / PROPOSAL TO MITIGATE	PROGRESS	RESIDUAL STATUS
20.04	LEVELS OF DEBT (Lead: Corporate Director of Resources)		
	<p>Given the Country is now heading into a possible recession, and the fact that the Council is very reliant on external income, how will it ensure debt levels do not spiral out of control</p> <p><u>Proposal</u></p> <ul style="list-style-type: none"> • Ensure that key debtors are communicated with regularly (at least monthly) • Ensure enhanced debt monitoring is in place for Covid-19 recovery period 	<p>Debts continue to be monitored and a report has been taken to Audit Committee for approval of write offs over £10,000. All paths to recover of these debts have been exhausted.</p> <p>Negotiations have been underway, due to be completed by the end of June 2021, with the CCG on the treatment of existing debt and approval pathways for ongoing debt.</p> <p>Internal Audit have been commissioned in May 2021 to look into the debt recovery process. This will be reported on in June 2021 and will also form part of the evidence for the MHCLG / Peer reviews covering the financial resilience of the Council.</p> <p>Note, that there is a new Government initiative in 2021/22 that allows debtors more time to pay outstanding sums which will need to be administered.</p> <p>As per the 2020/21 outturn report, outstanding sundry debt is £5m less than the 2019/20 position.</p>	<p>Internal Audit undertook a review of the sundry debtors processes and a number of recommendations reported. These have now all been implemented.</p> <p>Regular reports are generated and referred through to senior managers for information including commentary on collection levels, especially now that previous embargoes have been lifted and the Council can begin to chase debt again.</p> <p>Reports are submitted to Audit Committee to write off debts which the Council has deemed uncollectable. The last report was received by Committee in November 2021.</p> <p>WHILE STILL AN ACTION, IT HAS BEEN INCORPORATED INTO BUSINESS AS USUAL PROCESSES AND IS TO BE CLOSED.</p>
20.05	LOSS OF KEY STAFF (Lead: All Directors)		
	<p>Covid-19 will be a severe test on Council resources. The Council needs to ensure it retains key staff</p> <p><u>Proposal</u></p> <ul style="list-style-type: none"> • Ensure that processes are fully documented • Ensure that appropriate succession planning arrangements have been identified • Identify activities which are overly reliant on one individual 	<p>Succession planning was identified as an issue from the Directors Self Assessments – although there is limited evidence that this has been progressed across organisation.</p> <p>It has been noted that during Covid-19, more staff transferred from Agency to permanent positions due to a safety of tenure.</p> <p>The risk remains, especially post Covid-19 where staff have realised that in many jobs they can work from anywhere.</p>	<p>Across the Council there has been recent retirements at senior officer level which has taken a lot of knowledge away from the organisation. Various steps were taken to look to ensure that that this knowledge, as best as can be achieved, was transferred to others.</p> <p>THIS ACTION IS TO REMAIN TO INCORPORATE WORKFORCE AND SUCCESSION PLANNING.</p>

	ASSURANCE GAP / PROPOSAL TO MITIGATE	PROGRESS	RESIDUAL STATUS
20.06	<p>COUNCIL CONTROLS 2019/20 (Lead: Chief Internal Auditor)</p>		
	<p>There were three Internal Audits of Limited Assurance in 2019/20 which required rectification plans:</p> <ul style="list-style-type: none"> • The Procurement Card System • Energy Management • Transition of Amey contract to Peterborough Limited <p>There we no Internal Audits rated as “No Assurance”</p> <p><u>Proposal:</u> Ensure recommendations are implemented. Ensure assurance levels of these Audits move to at least Reasonable Assurance</p>	<p>Improvements have been established for 3 of the audits identified. The Procurement Card system remains as Limited Assurance. A further follow up will be undertaken.</p>	<p>Follow up of audits has demonstrated these has been progress. THIS ACTION IS TO BE DELETED</p>

	ASSURANCE GAP / PROPOSAL TO MITIGATE	PROGRESS	RESIDUAL STATUS
2020/21			
21.01	SOCIAL CARE INTEGRATION (Leads: Corporate Director of People and Communities / Corporate Director of Resources)		
	<p>On 1/7/22 the first meeting of the Integrated Care Board (ICB) took place. PCC is represented on this Board by the Executive Director People and Communities and Director of Public Health. The establishment of the Integrated Care System will include a North Place based multi agency Collaborative covering Peterborough, Fenland and Huntingdonshire. In addition PCC is also involved in Collaboratives focussed on Children and Maternity and Learning Disability and Mental Health. Membership and involvement in the ICS will enable the development of good practice and innovation in the area of integration of health and social care.</p>	<p>Ensure coverage at all critical meetings</p> <p>Ensure effective participation by the Council in the ICB process and that Council Governance processes understood and adhered to by Health Partners</p> <p>Ensure periodic updates to CLT, CPF and Cabinet so sighted on progress and potential risks, liabilities and opportunities.</p>	<p>Regular reports have been provided to CLT, CPF and Cabinet and briefings to Members on integration, finances, new legislation etc.</p> <p>WITH THE SOCIAL CARE SECTOR CONTINUING TO BE UNDER PRESSURE AND CHANGES, THIS ACTION WILL REMAIN</p>
21.02	ONGOING BUDGET POSITION (Leads: Corporate Director of Resources / All Corporate Directors)		
	<p>In its 2019/20 Audit Results Report signed off by Audit Committee on the 21st June the Councils External Auditors have given the council a Qualified Opinion for its Value for Money opinion, based on its financial position.</p> <p>The financial position and work being done with MHCLG is set out in 20.01 but this magnifies the significance of those conversations.</p>	<p>Ensure that MHCLG and LGA reviews are completed</p> <p>Address quickly the recommendations of the MHCLG review, once received, as this will impact future funding for the Council.</p>	<p>Separate reviews completed have been captured in an overarching Improvement Plan. This has been agreed by Council in December 2021. An Improvement Panel has been commissioned.</p> <p>A balanced budget has been established and agreed by Full Council.</p> <p>THIS ACTION CAN BE CLOSED FOR THE YEAR AND A SEAPARATE ONE GENERATED INCORPORATING FINANCIAL SUSTAINABILITY</p>

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21.03	INFORMATION GOVERNANCE (Leads: Director of Customer & Digital Services / Director of Law & Governance and Monitoring Officer)		
	<p>The nature of the council's business activities means that there are ongoing information governance risks, including cyber security and IT network security, which continues to require careful management.</p> <p>The continuing need to improve services and enhance customer access to those services means that integration, optimisation and security of the use of data held and managed by council departments continues to be of paramount importance.</p>	Monthly updates to JMT on these issues and how treats are being mitigated	<p>The Internal Audit review of Cyber Security concluded that it could only place limited assurance on the current arrangements. The Council relies on external IT audits to identify key cyber security process weakness. These audits have identified key corrective actions required such as the replacement of unsupported operating systems. Key remedial actions remain outstanding, and IT plans provided contain no target dates for addressing outstanding actions. A detailed action plan has been put in place.</p> <p>There is an overarching Information Governance Board which covers both Peterborough and Cambridgeshire which provides a coordinated approach although there is a need for greater transparency to Members and increase discussions at Audit Committee.</p> <p>THIS ACTION SHOULD REMAIN IN PLACE WHILE THE AUDIT ACTIONS ARE BEING IMPLEMENTED</p>
21.04	CLIMATE CHANGE (Lead: Executive Director, Place & Economy / All Directors)		
	The implementation of the council's climate change strategy, to allow the council to adapt to the impact of climate change.	Clearly costed and agreed medium long-term plans, for implementation of the strategy as we move over the next 5 years up to 2026.	<p>Growth, Environment and Resources Scrutiny Committee have had reports relating to climate change which have been produced by the Independent Commission on Climate.</p> <p>Recommendations reflect the Councils priorities and need to be fully costed with a clear city-wide carbon management action plan.</p> <p>A detailed report was submitted to Cabinet in June 2022.</p> <p>THIS IS A KEY DELIVERABLE AND SHOULD REMAIN AS A KEY ISSUE GOING FORWARD</p>

	ASSURANCE GAP / PROPOSAL TO MITIGATE	PROGRESS	RESIDUAL STATUS
21.05	<p>PROJECT MANAGEMENT (Lead: Director of Customer & Digital Services / All Directors)</p>		
	<p>The Council is making use of project management software to provide an effective solution to consistent practice being followed for key delivery. There is mixed take up across the organisation and increases the risk of project failure.</p>	<p>Clear project plan for moving project monitoring in all services onto POWA</p>	<p>Internal Audit review of project management has given limited assurance to its processes. The existing system is provided jointly to PCC / CCC and is on the POWER-BI platform. Current regulations refer to the use of Programme and Project Management procedures, although these do not exist in a standard and consistent form. In the absence of a standardised project management process, several project initiation and approval processes have been adopted using different project initiation and business case proformas, e.g. capital programme projects, Rapid Improvement Team projects, IT projects.</p> <p>The Business Improvement & Development directorate have already identified key deficiencies of the Council's current project management process which is disjointed and does not follow a consistent prescribed project management methodology. The Council has a dedicated online project management system which is not widely used, although the PCC Constitution does direct mandatory use of a project management system. Project management weaknesses were also identified by a recent external governance assurance review commissioned by DHLUC.</p> <p>ACTION TO REMAIN TO BE ADDRESSED</p>

	ASSURANCE GAP / PROPOSAL TO MITIGATE	PROGRESS	RESIDUAL STATUS
21.06	LOAN FINANCING (EMPOWER) (Lead: Corporate Director of Resources)		
	<p>The external Auditors in their 2019/20 Audit Results Report have a recommendation that the Council:</p> <p>Reviews any similar finance arrangements (the Empower Arrangement) to ensure that there is not a risk of exposure to further financial loss.</p> <p>Reviews the appropriateness of its Minimum Revenue Provision policy for capital loans in light of these events.</p> <p>Should it decide to bring the solar panel assets and asset management arrangements in-house, obtain an up-to-date valuation of the assets as soon as practicable in order that the Authority can determine whether there are any additional indicators of impairment and the basis on which the solar panel assets are recognised for financial reporting and asset management purposes.</p>	<p>That the Council undertake this review and report on progress (as the valuations might take more time) to the next available Audit Committee.</p>	<p>PCC decided to bring the solar panel assets and asset management arrangements in-house.</p> <p>Last reference to Empower in final accounts commentary from EY.</p>
21.07	PERFORMANCE REPORTING (Leads: Director of Business Improvement and Development / All Corporate Directors)		
	<p>Directors' self-assessment questioned whether this was as developed as well as could be expected. Need to have a way of regularly reporting on performance (not just financial which has been fully reviewed and working well)</p>	<p>Define what departments regard as their key performance information</p> <p>Set out a reporting framework so that this information is reported alongside other information like financial information to key stakeholders.</p>	<p>Performance reporting, other than financial, remains a weakness – and has been identified by inspection reports and including in the Improvement Plans.</p> <p>While there are a number of reports which are now taken to Corporate Leadership Team Meetings when there is a focus on performance, this may need to be developed further. This should link in with amendments as the Corporate Strategy and Vision for the Council is determined.</p> <p>TO REMAIN AS AN ACTION.</p>

	ASSURANCE GAP / PROPOSAL TO MITIGATE	PROGRESS	RESIDUAL STATUS
21.08	BUSINESS RATES DEBT LEVELS (Lead: Corporate Director of Resources)		
	This includes Business Rates and Council Tax Collection, which due to Covid-19 were below previous year's collection levels. Business Rates, in particular, were £11.5m lower than expectation in 2020/21 due to the Council not starting formal chasing of outstanding debt until Quarter 4.	Ensure that for Business Rates, ongoing weekly reviews are undertaken to ensure the £11.5m 2020/21 deficit is recovered and that 2021/22 collection rates are closely monitored.	Regular reports are produced and submitted to the Corporate Director or Resources. Levels have improved following the move away from pandemic, various grants and the ability to look at actions debt recovery. CLOSE – ONGOING REPORTS IN PLACE
21.09	COUNCIL CONTROLS 2020/21 (Lead: Chief Internal Auditor)		
	There were three Internal Audits of Limited Assurance in 2020/21 which required rectification plans: <ul style="list-style-type: none"> • Procurement Cards • Teacher Pensions (Premature Retirement Payments) • IT Asset Management There were no Internal Audits rated as "No Assurance"	Ensure recommendations are implemented. Ensure assurance levels of these Audits move to at least Reasonable Assurance	Follow up of audits has demonstrated these has been progress. THIS ACTION IS TO BE DELETED