


Agenda Item No:	6	
Committee:	Corporate Governance Committee	
Date:	19 March 2019	
Report Title:	FACT Report - Progress Update	

Cover sheet:

1 Purpose / Summary

The purpose of this report is to provide members of the Corporate Governance Committee with an update on progress of recommendations made in the FACT report briefing note.

2 Key issues

- The briefing note presented to members of the Corporate Governance Committee included 6 recommendations for officers of the Council to action.
- None of those recommendations made are due for implementation as of the date of this committee.
- Four recommendations are due by the end of March 2019. One is due by the end of June 2019 and one is due by the end of March 2020.
- Corporate Governance Committee requested an update on progress made so far at the meeting of 5 February 2019.

3 Recommendations

- It is recommended that the committee consider the progress made to date.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Cllr Anne Hay
Report Originator(s)	Kathy Woodward - Shared Internal Audit Manager
Contact Officer(s)	Peter Catchpole - Corporate Director & Chief Finance Officer Kathy Woodward - Shared Internal Audit Manager
Background Paper(s)	Corporate Governance Committee minutes item CGC/13/18 Corporate Governance Committee minutes item CGC/22/18 FACT review November 2018 Briefing Note to Councillor Clark

4 Background / introduction

- 4.1 At the July 2018 Corporate Governance Committee, the Chairman asked questions under the agenda item for Audit Results Report (ISA 260), surrounding assurances that need to be provided regarding payments FDC make to FACT following on from the Cambridgeshire County Council review of Community Transport Schemes. The review was undertaken by PKF Littlejohn.
- 4.2 The Shared Internal Audit Manager conducted a review at the Chairman's request, to provide the committee with assurances as requested at the July meeting.
- 4.3 The review was provided to the Chairman in a briefing report. The Chairman shared the briefing note with the Corporate Governance Committee at the meeting on 20 November 2018.
- 4.4 The FACT Review made a total of 6 recommendations which had all been accepted by the Management Team of the Council.

5 Considerations

5.1 Recommendation 1:

That the policy for support towards concessionary travel should be reviewed at least every three years to consider if the scheme is still achieving the desired outcomes in relation to our council objectives, the level of funding is still correct and that the scheme is fit for purpose and providing value for money. It would be appropriate for this review to commence at the next Comprehensive Spending Review (tba).

Council officers are currently undertaking preparatory work on the Transformation and Efficiency review (CSR2), which will be considered by councillors post-election.

5.2 Recommendation 2:

The invoice authorisation processes could be strengthened by having an independent validation / verification audit every year to review the invoicing process of FACT. This should be undertaken by the council's internal audit team.

The Internal Audit Plan for 2019/20 includes a review of the FACT invoicing process. This process will be undertaken during April.

5.3 Recommendation 3:

I recommend that FACT provide us with an annual declaration, signed by the Manager and Chair of the Board of FACT, stating that 'dial a ride services to which FDC support users on eligible journeys, has been provided by FACT on a not for profit basis'. This should be accompanied by accounts clearly demonstrating this. This should be outlined within the SLA document and a further discussion with CCC should be held to ensure consistency across both Councils.

The SLA document is currently being developed by the Transport Manager and the Corporate Director – Growth and Infrastructure.

5.4 Recommendation 4:

In addition to the audit and inspection processes already outlined in the SLA I recommend that the annual independent internal audit verification process be included within the SLA document.

The SLA document is currently being developed by the Transport Manager and the Corporate Director – Growth and Infrastructure.

5.5 Recommendation 5:

I also recommend that the SLA is reviewed by the Corporate Director - Growth and Infrastructure and the Legal Services Manager prior to being put in place for 2019/20.

The SLA document is currently being developed by the Transport Manager and the Corporate Director – Growth and Infrastructure.

5.6 Recommendation 6:

FDC liaise with CCC, following on from the opinion they have received from Counsel Advice, to clarify the official legal position with regard to state aid.

CCC is still seeking advice from Counsel regarding State Aid. FDC have liaised with CCC to clarify our position with regards to the subsidy we pay for users of the Dial-A-Ride service. This has been done to ensure that any advice given is not given collectively to all councils where there is a difference in the schemes each council operate.

6 Conclusions

- 6.1 Satisfactory progress is being made on the recommendations and it is anticipated that they will be completed within the expected timeframe.