



Doncaster Council

Report

Date: 26th July 2018

To the Chair and Members of the
AUDIT COMMITTEE

INTERNAL AUDIT REPORT FOR THE PERIOD: APRIL TO JUNE 2018

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		No

EXECUTIVE SUMMARY

1. The report attached at **Appendix 1** updates the Audit Committee on the work done by Internal Audit for the period April to June 2018, and shows this in the context of the audit plan for the year. The report includes details on the implementation of internal audit recommendations and the Internal Audit Teams performance information.
2. The attached report is in four sections:
 - Section 1. The Audit Plan / Revisions to the Plan
 - Section 2. Audit Work Undertaken During the Period
 - Section 3. Implementation of Audit Recommendations
 - Section 4. Internal Audit Performance
3. A summary of the main points from each of the sections is provided in the following paragraphs:

Section 1: The Audit Plan / Revisions to the Plan

4. Section 1 of the attached update report shows the 4 new jobs that have been added to the plan. The changes are in response to emerging risks and concerns. Current progress in delivering the audit plan is commented in more detail within Section 2 of this report.

Section 2: Audit Work Undertaken During the Period

5. Internal Audit continues to experience a high level of unplanned work in response to requests from management. This work is important as it helps to address weaknesses and potential errors and/or irregularities, and Internal Audit's support is generally highly regarded in these circumstances.
6. There are currently 5 ongoing investigations. Details of the work being carried out are included in Section 2 of this report.
7. The planned audit work done continues to confirm the Council generally has appropriate controls in place and that the controls are operating effectively. More details are provided in paragraph 2.4 and Appendix A of the attached report.

Section 3: Progress on the implementation of audit recommendations

8. There are now 16 overdue major recommendations; these all fall within Adults, Health and Wellbeing. This is an increase from the number outstanding reported last period of 14 for the full organisation. This is due to several high level pieces of audit work having been completed around the same time for this Directorate. Although originally agreed timescales have not been fully met for some recommendations, there has been significant work undertaken implementing other major and lower level recommendations. In this period, 160 recommendations have been fully implemented by management compared to a total of 216 recommendations implemented in the entire 2017/18 year.
9. It should be noted that the internal audit risk assessment planning process completed for 2018/19, assessed the Adults Health and Wellbeing Directorate as being exposed to a higher level of risk than the other directorates within the council as it did in 2017/18. As such, this results in more audit areas being reviewed in this Directorate in comparison to the rest of the Council. In turn this will result in more audit recommendations being made.
10. The current number of audit recommendations outstanding overall is 154 of which 114 have revised implementation dates that were beyond their original agreed implementation date. Further information is set out in Section 3 of the report.

Section 4: Performance Information

11. Performance on four out of the service's six key performance indicators are above target and are currently below target on the other two.
12. The percentage of planned audit work completed is slightly below target. This is due to the high levels of responsive work experienced by the team in this period and a heavy concentration of follow up work as explained in section 3 above. There is an expectation that that this small under-delivery can be recovered in future quarters but this is dependent on the level of responsive work required to be undertaken by the team. Should this become a problem, then additional resources will be put into the team in line with existing assurances to the Audit Committee and past actions by the Chief Financial Officer. .

13. The percentage of jobs completed within 110% of the budget is below target due to additional time spend on jobs due to a now departed junior member of staff
14. Results relating to major recommendations and customer satisfaction remain very positive, with 100% of critical or major recommendations agreed and 100% of Customer Satisfaction Surveys rated Satisfactory or above.
15. Issuing draft reports within 15 days of fieldwork completion is at 100% as is issuing final reports within 5 days of client feedback on the draft report.

RECOMMENDATIONS

16. The Audit Committee is asked:

- To note the changes to the original audit plan
- To note the internal audit work completed in the period
- To note progress made by officers in implementing previous audit recommendations
- To note information relating to Internal Audit's performance in the period.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

17. Effective Internal Audit arrangements add value to the Council in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough.

BACKGROUND

18. This report provides the Audit Committee with information on the outcomes from internal audit work and allows the Committee to discharge its responsibility for monitoring Internal Audit activity.

OPTIONS CONSIDERED

19. Not applicable - for information only

REASONS FOR RECOMMENDED OPTION

20. Not applicable - for information only

IMPACT ON THE COUNCIL'S KEY OUTCOMES

21. Internal Audit assesses how effectively the Council is managing risks that threaten the achievement of the Council's objectives. Any improvement in the management of the risks will have a positive impact thereby increasing the likelihood of the Council achieving its objectives. Internal Audit's work is, therefore, relevant to all priorities.

Outcomes	Implications
<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes. 	
<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of 	<p>Effective oversight through the Audit Committee adds value to the Council operations in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough</p>

residents <ul style="list-style-type: none"> • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.
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RISKS AND ASSUMPTIONS

22. The implementation of internal audit recommendations is a response to identified risks and hence is an effective risk management action.

LEGAL IMPLICATIONS [SF 09/07/18]

23. There is a statutory obligation on the council to provide an adequate and effective internal audit of its accounts and supporting systems of internal control.

FINANCIAL IMPLICATIONS [AT 10/07/18]

24. There are no immediate financial implications associated with this report. In 17/18 additional resources were secured to pay for additional resources to help deliver the audit plan and if this should need to be repeated for 18/19, funding will be identified from existing budgets within Finance.

HUMAN RESOURCE IMPLICATIONS [MLV 09/07/18]

25. There are no specific human resource implications associated with this report.

TECHNOLOGY IMPLICATIONS [PW 10/07/18]

26. There are no specific technology implications associated with this report. As outlined in section 2.4, stronger controls relating to ICT inventory are planned/underway, including improved asset management and a full ICT audit. Any requirements for new, enhanced or replacement technology following the review of systems and processes within the Alarm Receiving Centre (ARC) will need to be considered by the ICT Governance Board (IGB). The overdue recommendation in Appendix B relating to Contract Monitoring Review – Supported Living is being addressed as part of the Integrated People Solution.

EQUALITY IMPLICATIONS [PJ 03/07/18]

27. We are aware of the Council's obligations under the Public Sector Equalities Duties and whilst there are no identified equal opportunity issues within this report; all of the reports covered by the document will have taken into account any relevant equality implications.

HEALTH IMPLICATIONS [RS 10/07/18]

28. Good governance is important for healthy organisations and for healthy populations. Specific health implications should be addressed through individual audits and action plans.

CONSULTATION

29. There is consultation with managers at the outset, throughout and at the conclusion of individual audits in order to ensure that the work undertaken and findings are relevant to the risks identified and are accurate. Regular meeting are held with Senior Management to ensure there is effective and relevant Internal Audit coverage provided.

BACKGROUND PAPERS

30. United Kingdom Public Sector Internal Audit Standards, audit working files and management information, customer satisfaction responses.

REPORT AUTHOR & CONTRIBUTORS

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Appendices Attached

Appendix 1 - Internal Audit Progress Report to June 2018



**Doncaster
Council**

Appendix 1

Doncaster Council

Internal Audit Progress Report

April to June 2018

Section 1: Revisions to the Audit Plan

- 1.1. The 2018/19 Audit Plan was approved by the Audit Committee on 5th April 2018. As the audit year progresses, the plan is reviewed to take into account new and emerging risks and any responsive work arising. So far in 2018/19 the service has received and responded to 2 responsive work requests (see section 2), and ongoing work within the Adults Health and Wellbeing directorate which have required a review of the plan alongside a review of available resources. Amendments to the plan are set out below.
- 1.2. The following jobs have been added to the plan:
 - Bereavement Services, Stocks and Sales
 - Schools Catering - Invoice, Ordering and Receipting Process
 - Adults Health and Wellbeing- Risk Development
 - Adults Health and Wellbeing-Governance Development

Section 2: Audit Work Undertaken During the Period

Internal Audit Opinion

- 2.1 Internal Audit provides an opinion on the control environment for all systems, services or functions which are subject to planned audit review. The opinions given are taken into account when forming our overall annual opinion on the adequacy and satisfactory operation of the Council's governance, risk management and internal control arrangements at the end of the year.
- 2.2 A "*substantial*" opinion is given where there are no/low levels of concern. A "*partial*" opinion is given where there are issues of concern that need to be addressed but represent a reasonable level of assurance. A '*limited*' opinion is given in any area under examination where one or more concerns of a 'fundamental' nature are identified. A '*no assurance*' opinion is given where the area under review is considered to be fundamentally exposed to critical risks, although '*no assurance*' opinions are rare.

Summary of Findings from Audit Reviews

- 2.3 Summary conclusions on all significant audit work to June 2018 are set out in **Appendix A**.

Responsive Audit Work and Investigations

- 2.4 In addition to our planned assurance work, we also investigate allegations of fraud, corruption or other irregularity and/or error, and respond to requests for assistance from services and functions in the Council. A summary of the significant pieces of work that have been completed or are ongoing is provided below:

Audit Area	Update
Smart Lights Phase 2	<p>This is an investigation launched in November 2017 after further issues were reported within the smart lights programme on ordering items (and potential surplus lamps being ordered) on Phase 2.</p> <p>This is being reported to the July Audit Committee.</p>
Social Care Provider	<p>This is a potential significant issue regarding cost of social care incurred either directly by the Council or through direct payments. Action is being taken to reassess care needs and more clearly define care plans.</p>
Strategic Infrastructure	<p>This minor piece of work was requested by the Manager follow a staffing issue, who expressed concerns over the efficiency of procedures. . All the work has now been completed and reported.</p>
Occupational Therapy Service	<p>This is a review into concerns over previously poor management of the service. This review covered financial, governance and asset management arrangements.</p> <p>The review is complete and has been reported.</p>
ICT Equipment Inventory	<p>Internal Audit is assisting management to put in place stronger controls relating to ICT inventory, following an inability to locate small amounts of ICT equipment.</p>
Review of ARC Practices	<p>A review of systems and processes within the Alarm Recording Centre (ARC) has raised concerns about the efficacy and business continuity of assistive technology.</p>
Bereavement Services, Stocks and Sales	<p>During previous investigation work it was identified that there are weak controls in this area. This piece of work will ensure that income and stock, in this area are correctly accounted for and adequately protected.</p> <p>Work is underway.</p>
Schools Catering - Invoice, Ordering and Receipting Process	<p>A request was made for advice streamlining / improving processes after year end routines identified a significant number of orders that had not been receipted in the Council's payment</p>

Audit Area	Update
	<p>system (P2P).</p> <p>The work is complete and improvement actions are being implemented.</p>
Music Service IR35 Payments	A review of payments being made to individuals through the creditors system (P2P) from routine matches obtained from the National Fraud Initiative (NFI).

- 2.5 This responsive work has accounted for a significant proportion of the work carried out by the section in this period. Whilst the majority of the work above has now been concluded, there are other areas of concern emerging that will require resourcing which could possibly be significant.

Section 3: Implementation of Audit Recommendations

- 3.1 Following the completion of audit work, improvement plans are produced in consultation with service management containing details of actions and dates agreed agreed by management for their implementation. Final reports, incorporating agreed improvement plans, are then formally issued to the appropriate Director, Assistant Director and Head of Service.
- 3.2 Internal Audit subsequently seeks assurance that agreed actions arising from audit work have actually been implemented. This involves contacting the officer allocated to complete the action to obtain evidence that agreed actions have been implemented or, where they have not, that appropriate progress is being made. Where fundamental weaknesses in internal control arrangements have been identified, more detailed follow up work is undertaken.
- 3.3 Any major recommendations that are not implemented in line with agreed timescales are reported as part of the Council's Resource Management processes (previously called the quarterly finance and performance challenge) and consequently monitored through that process. Major recommendations outstanding are also reported routinely by Internal Audit to the Audit Committee. Additionally, Assistant Directors are provided each month with details of all actions outstanding in their area and these are then reviewed with Internal Audit and the Director and their management teams each quarter.
- 3.4 A summary of overdue major recommendations is provided in **Appendix B**. The number of both major and lower level recommendations that are currently overdue for completion is distributed as follows:

Directorate	Overdue major recommendations 2 July 2018	Overdue lower level rec's 2 July 2018
Adults, Health and Wellbeing	16	53
Regeneration & Environment	0	11
Corporate Resources	0	22
Learning & Opportunities (Children & Young People)	0	10
Council Wide	0	2
TOTAL	16	98

(note: schools are excluded from this analysis)

- 3.5 Included in the Adults, Health and Wellbeing overdue major recommendations listed above are a batch of major recommendations for the directorate which have just become overdue. These are in respect of the audits of the Deprivation of Liberties Safeguards and Direct Payments / Personalised Budgets and Safeguarding Adults Personal Assets Team (SAPAT) and are not included in detail within Appendix B but further information is detailed below.

Deprivation of Liberties Safeguards - 5 overdue major recommendations

Progress is being made in implementing the actions that arose from the Internal Audit Review of the DoLS processes. Several major actions have been implemented as well as lower rated actions. There has been some slippage in 5 of the major actions but steps to rectify the situation are in hand and no extended timescales are considered to cause a fundamental problem for the service meeting an overall implementation date of 30th September 2018.

Direct Payments / Personalised Budgets Follow Up – 7 overdue major recommendations

There is now a newly appointed permanent Head of Service in post responsible for Direct Payments who is currently reassessing priorities in this area and the outstanding audit actions which she has inherited. The actions have been included within a project plan and definitive target dates and responsible officers and resources have been allocated to ensure that these targets will be met. This area has unfortunately had a number of temporary / vacant posts which has led to actions being incomplete and well as having to provide resource into the Doncaster Integrated Peoples System (DIPS) which the Direct Payments processes have a dependency on. The new Head of Service however is committed to ensuring the improvements are embedded within the team and is keen to implement the previously agreed actions. Internal Audit are monitoring the development and delivery of this plan.

- 3.6 The number of major recommendations overdue has increased this period, however Internal Audit are rigorously pursuing their implementation with senior management.
- 3.7 The current number of audit recommendations currently awaiting implementation is 154 of which 117 have passed their original agreed implementation date. In the main this is due to the high number of new recommendations arising from the completion of the above noted Deprivation of Liberties Safeguards and Direct Payments and Safeguarding Adults Personal Assets Team, (SAPAT) audits. Internal Audit are working closely with these sections to promote the timely implementation of these recommended actions.
- 3.8 In this period, extensive work has been undertaken on implementing outstanding recommendations. It should be noted that 160 recommendations have been implemented by management in this period, compared to a total of 216 recommendations implemented in the whole 2017/18 year demonstrating the work that has been put into addressing this area by both Internal Audit and Service / Senior Management. The spread of recommendations still awaiting implementation is shown below:

Directorate	Number of rec's at April 2018	Plus New rec's in year	Less Rec's implemented	Number rec's at 2 July 2018
Adults, Health and Wellbeing	43	+157	-101	99
Regeneration & Environment	15	+9	-9	15
Corporate Resources	35	+13	-24	24
Learning & Opportunities (Children & Young People)	8	+29	-23	14
Council Wide	5	0	-3	2
TOTAL	106	+208	-160	154

- 3.9 It should be noted that the internal audit risk assessment planning process completed for 2018/19 assessed the Adults Health and Wellbeing Directorate as being exposed to a higher level of risk than the other directorates within the council as it did in 2017/18. As such this results in more audit areas being reviewed in this Directorate in comparison to the rest of the Council. In turn this will result in more audit recommendations being made for the Directorate.

Section 4: Internal Audit Performance

Performance Indicators

- 4.1 The Audit Committee has previously agreed the key performance indicators that should be reported to it relating to the performance of the Internal Audit service. The indicators are shown below along with current performance for the period April to June 2018

Performance Indicator	Target	April to June 2018	Variance (positive is good)
Percentage of planned audit work completed	25%	20%	- 5%
Draft reports issued within 15 days of field work being completed	90%	100%	10%
Final reports issued within 5 days of customer response	90%	100%	100%
% of critical or major recommendations agreed	100%	100%	0%
Percentage of Customer Satisfaction Surveys rated Satisfactory or above	90%	100%	10%
Percentage of jobs completed within 110% of budget	90%	75%	- 15%

- 4.2 The percentage of planned audit work completed is slightly below target. This is due to the high levels of responsive work experienced by the team in this period and a concentration of follow up work as explained in section 3 above. There is an expectation that that this small under-delivery can be recovered but this is dependent on the level of responsive work required to be undertaken by the team. Should this become a problem, then additional resources will be put into the team in line with existing assurances to the Audit Committee and past actions by the Chief Financial Officer.
- 4.3 Results relating to major recommendations and customer satisfaction remain very positive, with 100% of critical or major recommendations agreed and 100% of Customer Satisfaction Surveys rated Satisfactory or above.
- 4.4 Issuing draft reports within 15 days of fieldwork completion is at 100% as is issuing final reports within 5 days of client feedback on the draft report.
- 4.5 The percentage of jobs completed within 110% of the budget is below target due to additional time spend on jobs due to a now departed junior member of staff

Quality Assurance Improvement plan

- 4.5 In February 2017, Internal Audit was reviewed by the Head of Internal Audit and the Audit Manager from Kirklees Council and this was reported to the Audit Committee at its meeting on 6 April 2017. The assessment confirmed that Doncaster's Internal Audit Service meets the highest of the three possible ratings within the standards, i.e. that the service "Generally Conforms" with the standards.

- 4.6 The peer review report identifies seven observations noted either by the reviewers themselves, or by Members and officers interviewed by the reviewers. The observations, and actions emanating from them were incorporated into the Service's Quality Assurance Improvement Plan (QAIP) and it was reported in the Head of Internal Audit Annual Report that all these actions had been met.
- 4.7 Additionally, file reviews of completed audits were undertaken by the outgoing Head of Internal Audit in March 2018 and the results of the were very positive confirming our ongoing compliance with the standards.

APPENDIX A

Summary of Planned Audit Work Completed

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
CORPORATE RESOURCES				
Core Financial Processes – Business Rates	To examine the extent to which the operational risks and operational processes are effectively managed within Business Rates to ensure that the right rates / taxes are collected from the right payees at the right time.	19/03/18	<i>Substantial Assurance</i>	Nothing significant reported.
Data Matching – Cashbook Payments	An ongoing identification and examination of late bankings to ensure the security of income collected.	30/03/18	<i>N/A</i>	Nothing significant reported.

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
Data Matching – Supplier to Payroll Payments	To ensure that where / if employees are being paid by creditors as well as their wages or there is a connection to a member of their close family being paid by the creditors system that there is no conflict of interest between their work and that they have declared this appropriately on their declaration of interest form.	06/04/18	N/A	Nothing significant reported.
Core Financial Processes – Cash Book	To examine the extent to which the operational risks and operational processes are effectively managed within cash collection and cashbook to ensure that the are fit for purpose and that cash is properly collected, safeguarded and can be easily traced, receipted and reconciled.	12/04/18	<i>Substantial Assurance</i>	Nothing significant reported.

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
Core Financial Processes – Council Tax	To examine the extent to which the operational risks and operational processes are effectively managed within Council Tax to ensure that the correct tax is calculated for the right people at the right time and that collections are maximised.	25/04/18	<i>Substantial Assurance</i>	Nothing significant reported.

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
Core Financial Processes – Payroll Processing	The objectives of the audit were to; review the arrangements for processing and monitoring of payroll transactions for The Council in order to ensure that they are robust and free from fraud and material error; review the control arrangements in place utilising the results of Rotherham's Payroll Audit 2017/18; confirm compliance with the management control processes in place; give assurance to stakeholders, including the Audit Committee, that the risks threatening the payroll processing are adequately managed; and agree, in conjunction with managers at both Doncaster and Rotherham, control process improvements to further mitigate or transfer risks identified.	26/04/18	<i>Substantial Assurance</i>	Nothing significant reported.

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
REGENERATION AND ENVIRONMENT – Nothing to report				
LEARNING AND OPPORTUNITIES:CYP				
Passenger Transport Services	<p>To gain assurance that adequate and appropriate safeguarding arrangements are in operation for the transportation of vulnerable individuals referred to the Passenger Transport Service.</p> <p>To ensure that the financial administration and contracting arrangements are operating in a controlled manner, follow best practice, making value added recommendations to improve the service, service delivery, efficiency or effectiveness or further mitigate risk exposures, as appropriate.</p>	18/06/18	Partial Assurance	<p>Strengthening of sharing of information processes with the Council's Licensing department and other Authorities is required to further reduce safeguarding risks.</p> <p>Disclosure Barring Service checks had not been undertaken recently for all individuals working on routes.</p>

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
Adult Safeguarding Board - Governance Review of Training in Care Homes	To evaluate the governance arrangements in respect of the adequacy of the contract management arrangements covering the provision of equipment and effective training for Care Home staff.	30/03/18	Limited Assurance	Several improvement / efficiency areas were identified including; the Council's Moving and Handling Team producing plans which are the responsibility of the Service Provider, the absence of a plan to effectively manage the on-going rewrite of the Contract and contract monitoring weaknesses.
Safeguarding Personal Assets Team Mid Year Review.	This piece of work was a formal follow up of the detailed review of all SAPAT functions which was undertaken in 2015/16, to check on progress against pre-defined work streams, documenting the revised processes and log any outstanding improvements that are still required.	20/04/18	Partial Assurance	<p>Further work is required to reduce the number of service users managed by SAPAT, balancing workloads to reduce the number of service users managed by each caseworker and increasing closer working with social workers.</p> <p>Transport reviews are still needed to be undertaken along with further improvements in the recording of information.</p>

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
Home Care Payment Arrangements	The objective of the audit was to review the adequacy of the payment arrangements for Doncaster Council Home Carers in the Steps Team.	23/04/18	Partial Assurance	<p>Numerous errors and a lack of audit trail within the process were identified, however, Management had already instigated a move to producing the payroll via the standardised council wide process using the HR Portal (the first pay using this process being April 2018). This should address a number of the issues found during the audit fieldwork, ensuring that future pay is correct and appropriate.</p> <p>The Councils Working Time Directive had been breached or potentially breached on several occasions for several different reasons.</p>
Occupational Therapy Service	To provide an opinion on the adequacy of the management arrangements in respect of the Occupational Therapy Service.	05/06/18	Limited Assurance	<p>A number of improvement areas were identified. These included establishing a performance framework and a detailed Service Plan. Delays were also being incurred due to excessive authorisation / approvals processes.</p> <p>The current re-engineering programme has not been completed in accordance with the required timescales.</p>

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
CCOUNCIL WIDE				
Money Laundering Policy	Policy revision, ensuring the Council has clear guidance in place that is up to date with the latest legislation.	28/03/18	N/A	The Policy has been revised and submitted to the July Audit Committee for comment.

APPENDIX B

Overdue Major Recommendations

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
ADULTS AND COMMUNITIES						
Solar Centre	A review of the Solar Centre CPR breach situation raised questions as to whether there are sufficient resources to manage current procurement plans and contractual agreement effectively.	Further breaches may occur.	Review of the resourcing of the Adults Plan for dealing with contracts in breach / coming to an end to ensure further breaches are minimised - allocate responsibility; identify clear reporting lines and frequencies.	30/09/17	31/03/18	Complete: Resources have been reviewed and additional resources and filling of vacant posts agreed. Filling of all these posts commenced December 2017. One Commissioning Manager post still remains unfilled.
Solar Centre	Contract Monitoring has not been undertaken for 3 significant contracts with RDaSH.	Poor performance may not be identified and corrected, at worst, this could lead to harm to service users.	Contract Monitoring Audit (process, regularity, timeliness, safeguarding issues, non standard arrangements etc.) / Establishing	31/12/17	31/08/18	Complete: A 4 year commissioning delivery plan was reported to Cabinet in November. The plan includes an action 'to develop and implement a revised contract monitoring process' by the end of March 2018. The contract process and

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
			contract monitoring arrangements.			monitoring toolkit has been developed and rolled out.
Solar Centre	The DMBC / RDaSH contract for the provision of services at the Solar Centre ended March 2013 with a CPR Waiver to extend for 1 year. However, actual service provision is still ongoing which is a breach of CPR's.	Penalties for non compliance with EU Procurement Regulations. Best value is not obtained.	Allocate responsibility; produce a clear project plan with timescales, report to and challenge by each DLT.	30/06/18	30/11/18	Assistant Director responsibility and a Project Lead is in place. A Joint Project Board (Senior Leadership Team and all partners) meets regularly and is responsible for monitoring the project plan and unblocking problems. Slippage against the Project Plan has occurred as the original June 2018 completion date was unachievable and that it was likely that the June 18 date will see a strategy / way forward agreed for all users, but that this will take time to implement.
Residential and Respite Care Placements	Decision recording is poor as no record is made of rejected decisions and although the decision	Poor governance arrangements that could lead to ineffective	All panel decision outcomes will be supported with prudent, structured records of how and	31/03/18	31/07/18	There has been a change in responsibility for this recommendation and Internal Audit are now pursuing the new responsible officer for

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
	outcome is known, the justification of the decisions is not. This results in poor transparency around decisions if challenged	and inefficient decision making processes with an inappropriate level of rigour and transparency	why such an outcome was arrived at.			action.
Adult Safeguarding Board - Governance Review of Training in Care Homes	The standard contract dated 2003 is currently undergoing a rewrite and update which has been ongoing since amendments to the Care Act were introduced in 2014. Timescales have not been specified for expected completion of the Contract update and its anticipated implementation.	The absence of an implementation plan in respect of the review of the Care Home Contract presents the risk that those involved may not be clear as to their roles and responsibilities along with completion timescales.	An Action Plan will be drafted in conjunction with other interested parties such as the Contract Officer, Legal Services etc. outlining roles and responsibilities, and will specify timescales for completion of the review of the Care Home Contract.	30/04/18		Complete: An action Plan is now in place covering responsible officers and timescales.

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
Contract Monitoring Review - Supported Living	The CareFirst system is not currently capable of being used to record service delivery and associated payment. A project is currently being progressed under the Council's Digital Transformation Programme, which should address this issue.	Changes to client related data may not be updated on a timely basis by both the Council and the CCG. This issue is reinforced as at the 21st July 2017, circa £2.4M of debt was in the process of being recovered from the CCG, of which circa £1.3M related to Supported Living.	As part of the scope of the CareFirst project the intention is to move all elements of care packages onto CareFirst which will include Service Provider payment processes. Progression of the project will be closely monitored in order to ensure that project deliverables are met including improved payment processes.	31/05/18		The project is ongoing but many issues are arising and needing to be overcome before implementation.
Occupational Therapy Service	The Occupational Therapy Service has previously recognised that their current operational and	Strategic plans and priorities may not be achieved, potentially	The Acting Head of Service, Adults Safeguarding & Specialist Team will provide assurance	30/06/18		There are many improvement actions within this service and the Directorate Project Management Office are now putting together a project plan

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
	strategic management arrangements require improvement and have embarked upon a review / re-engineering exercise of the Service in order to identify any service improvements. As at the time of the audit the review had not been finalised although an Interim Report dated May 2017 had acknowledged major improvement areas	therefore having an adverse impact upon the Council's overall performance, including the likes of; service delivery to programme, budget / financial performance management. In addition, the risk exists that the required Service improvements may not materialise as required	that the review of the Occupational Therapy Service will be completed and outline a revised expected timeframe.			to prioritise actions that are required in order to ensure structured and feasible progression going forward.

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
Learning and Opportunities: CYP						
Aiming High Care Package efficiencies	<p>The Aiming High budget has been overspent for a number of years. It is for Aiming High to prioritise where they incur expenditure and identify efficiency savings to offset expected overspends.</p> <p>However, there is an ongoing trend of an increase in cases within the service, with the net number of children at 31st March 2016 being 23 more than that 1st April 2015 and there is currently an average of 4 new cases a month in 16/17.</p>	Budget overspending may increase.	A working group should be formed to identify and assess possible ways of reducing the budget pressure e.g. review of all care packages above £X, cost / benefit analysis of services provided etc.	09/11/16	05/03/18	Completed: The budget continues to be monitored rigorously, efficiencies obtained and a year end break even position is anticipated for 2018/19.