



Doncaster Council

Report

Date: 24th July 2019

**To the Chair and Members of the
AUDIT COMMITTEE**

INTERNAL AUDIT REPORT FOR THE PERIOD: APRIL TO JUNE 2019

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 undertaken by Internal Audit for the period April to June 2019, 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 that 7 new jobs have been added to the plan or have substantially increased in scope due to anomalies identified. The changes are in response to emerging risks and concerns.

5. Some planned work has been removed from the plan to help accommodate this. 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

6. Details of the work being carried out in this area are included in Section 2 of this report.
7. The 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.
8. Internal Audit continues to deliver unplanned work, either in response to requests from management or contingency work identified by Internal Audit. 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.
9. Considerable resources continue to be applied in working with Management in the implementation of audit recommendations and further detail is set out in the following section.

Section 3: Progress on the implementation of audit recommendations

10. There are now 8 overdue major recommendations; 7 fall within Adults, Health and Wellbeing and 1 in Regeneration and Environment. Although this is an increase from the number outstanding reported last period of 4 (all within Adults), progress is still being made in all cases.
11. The current number of audit recommendations outstanding overall is now 76 (69 reported last period), of which 49 (50 reported last period) of these have passed their original agreed implementation date. Further information is set out in Section 3 of this report.

Section 4: Performance Information

12. Performance on four out of the service's six key performance indicators are on or above target. The percentage of planned audit work completed at 20% is slightly below target due to several factors including:-

Issues within customer directorates

- High levels of responsive work experienced by the team in the first quarter.
- Additional time being required to complete some jobs due to the number or complexities of issues identified as the audit progressed.

Issues within Internal Audit

- Higher levels of sickness than budgeted for
 - Higher levels of training than budgeted for.
13. The plan for the remainder of the Financial Year has been assessed and the Head of Internal Audit considers that sufficient work will be delivered to be able to provide his opinion on the Council's, risk governance and control arrangements. Should delivery of this programme of work 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.
14. The percentage of jobs completed within 110% of the time allowed is below target at 80% against the target of 90%. 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 exceeding target at 91% against a target of 90% as is issuing final reports within 5 days of client feedback on the draft report at 100% against a target of 90%.

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 residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<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> <p>The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.</p>
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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 [SRF 04/07/19]

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.

Legal advice can be provided on individual items on the work plan as required.

FINANCIAL IMPLICATIONS [ST 05/07/19]

24. There are no specific financial implications associated with this report. Internal Audit's budget forms part of the monthly monitoring process and is not reporting any significant issues.

HUMAN RESOURCE IMPLICATIONS [KG 04/07/19]

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 Appendix A, a protocol for the assessment of cloud services and an associated security matrix that is intended to be completed as part of any appropriate Council procurement process are being developed. These will also align with the Technology Governance Board process. The

overdue recommendation relating to Contract Monitoring Review – Supported Living is being addressed as part of the implementation of the Doncaster Integrated People Solution (DIPS), as outlined in Appendix B.

EQUALITY IMPLICATIONS [PJ 04/07/19]

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 [SH 04/07/19]

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 meetings 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.

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Appendices Attached

Appendix 1 - Internal Audit Progress Report April to June 2019



**Doncaster
Council**

Appendix 1

Doncaster Council

Internal Audit Progress Report

April to June 2019

Section 1: Revisions to the Audit Plan

- 1.1. The 2019/20 Audit Plan was approved by the Audit Committee on 11th April 2019. As the audit year progresses, the plan is reviewed to take into account new and emerging risks and any responsive work arising. Additional work undertaken / added to the plan is resourced by the deletion or deferral of the assessed lowest risk current plan items. Significant amendments to the plan, this quarter, are set out below.
- 1.2. The following jobs have been added to the plan, or significantly increased in scope:
 - Troubled Families Grant
 - North Bridge Stores
 - DL (DoLS) Tribunal Case
 - Planning Committee Peer Review Follow Up
 - Adult Social Care Debt Meetings
 - DoLS follow up review
 - Trading Standards and Food and Animal Safety Review
- 1.3. The following jobs have been deleted from the plan or deferred to be undertaken / considered for inclusion in future years plans, or have been significantly reduced:
 - Deprivation of Liberties - New System Review (deferred to 2020/21)
 - Housing Rents - Data Migration Review (no migration due)
 - School Anti-Fraud and Corruption policy (deferred to 2020/21 pending national guidance being issued)
 - ERDF / SCRIF Funding (cancelled as assurance to be gained from work delivered by Financial Management Team)
 - Homes and Communities Agency Grant (HCA) (HCA not subjecting Authorities to review this year so no audit required)

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 or 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 or where there are a considerable number of issues of concern arising which need addressing. 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 extremely rare.

Summary of Findings from Audit Reviews

2.3 Summary conclusions on all significant audit work completed April to June 2019, are set out in **Appendix A**.

Audits providing 'limited' assurance opinions

2.4 Our work concluded that the control environment was inadequate in 2 audits completed during the period, leading to the issuing of a limited assurance opinion in these areas, as detailed below:

Strategic Asset Management – Income Management Review Follow Up

A limited opinion was given as a full reconciliation between the rent / lease recording system and Accounts Receivable to ensure that all income is being collected has not yet been finalised. This action should be fully implemented shortly.

North Bridge Stores

The limited assurance opinion is based on the number of weaknesses which have been identified as part of this stores audit. In addition to this, the limited scale of regular stock takes and subsequent review of discrepancies identified (variances), which have been undertaken since the introduction of the new inventory management system (November 2017), give rise to concern over the timely identification of any possible losses through fraud or error.

As a result of the audit work completed 26 recommendations have been made. It should be noted that 4 of the actions identified are not the responsibility or sole responsibility of the Stores Team, however, these are required in order to ensure that the service / process as a whole improves.

Weaknesses / improvements identified included:

- Limited stock takes had been undertaken since the implementation of the new system in November 2017. A full stock take commenced December 2018 and is now complete, however the results of the

stock take revealed that 35% of stock item types have a variance (either a loss or gain) and the results have not yet been signed off as acceptable by management. Due to the number of issues arising within this report, it is envisaged that the extent of stock take variances currently identified should decrease as the identified process improvements are rolled out.

- Written procedures covering the Inventory Management system were drafted as a support by the Financial Systems Development Officer during the system implementation and handed over to the Stores Manager to review/finalise. These have not been reviewed by Stores staff to ensure that they work on the ground. Nor have additional procedures been written to document the “stores only” processes that are in operation around the Inventory Management system.
- Once further familiarisation is made with the Inventory Management system, current stock monitoring processes will be reviewed and exception reporting will be developed to ensure that the service is operating as efficiently and effectively as possible and any potential anomalies are identified on a timely basis for investigating or correcting.

Responsive Audit Work and Investigations

2.5 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
Review of ARC Practices	A new system has been procured and the processes for launch are currently being designed. Internal Audit are working with the project consultants to review the proposals and ensure that the processes being designed are robust and sufficient to ensure that key processes and well managed. These cover:- monitoring contracts, charging for services, installing equipment, monitoring stock levels and stock usage, managing referral processes from the Council and other partner organisations and responding to calls from service users.
Officer working arrangements	Management concerns raised have resulted in an investigation into a potential conflict between an officer’s private work and their employment with

Audit Area	Update
	<p>DMBC.</p> <p>The work is complete and the results have informed management action undertaken.</p>
Income Management Project Support	<p>The piece of additional work is to support corporate arrangements in the identification and reconciliation of income. It is an important area due to weaknesses identified in this area though in both audit work and income project work previously carried out by Financial Management.</p>
Doncaster East Internal Drainage Board (DEIDB)	<p>Support was provided to the Board in finalising a governance review of a major project. Independent consultants were engaged to support this review and their findings assessed by the Board.</p> <p>Ongoing support and advice to Portfolio Holder and Chair of Board regarding residual matters still to be resolved.</p>
Data Matching - Supplier to Payroll Payments	<p>Additional time required to allow completion of the routine monthly checks which are proving very worthwhile in identifying anomalies that require investigating. For example, employees are being paid through both Payroll and Accounts Payable which may be in breach of Inland Revenue regulations (IR35) or where the employee has not informed their manager of secondary employment.</p>
Trading Standards and Food and Animal Safety Review	<p>A full review of the workings of this service is being undertaken at the request of senior / statutory officers after complaints have been received.</p> <p>The fieldwork of this review is nearing completion.</p>
Early Years Service Payments	<p>A fraud issue raised by management within the Early Years' Service that provides (and audits) funding for nursery places across Doncaster, identified that false claims for payments had been made.</p> <p>The money is being paid back and appropriate action has been taken.</p>

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 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 Quarterly Resource Management processes and consequently monitored through that process. The total number of overdue recommendations, in addition to major ones, is now being reported. 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. Major recommendations outstanding are reported routinely by Internal Audit to the Audit Committee.
- 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	Number of high/major recommendations overdue				Number of lower level recommendations overdue			
	At 02/07/18	At 15/01/19	At 20/03/19	At 09/07/19	At 02/07/18	At 15/01/19	At 19/03/19	At 09/07/19
Adults, Health and Wellbeing	16	10	4	7	53	29	30	13
Regeneration & Environment	0	0	0	1	11	7	9	18
Corporate Resources	0	0	0	0	22	1	3	5
Learning & Opportunities (Children & Young People)	0	0	0	0	10	2	3	2
Council Wide	0	0	0	0	2	1	0	0
TOTAL	16	10	4	8	98	40	45	38

- 3.5 The majority of the Adults, Health and Wellbeing overdue recommendations listed above are in respect of the audit of the

Deprivation of Liberties Safeguards. The Regeneration and Environment overdue actions are in relation to Bereavement Services and North Bridge Stores. Further information in respect of these is detailed below.

Deprivation of Liberties Safeguards – 14 actions remain outstanding, of which 4 are overdue major recommendations and 6 are overdue lower level recommendations

Only one lower rated action has been implemented this period. There has been progress demonstrated on some of the other actions, with evidence provided in relation to the implementation of 3 of these actions requiring further clarification.

Bereavement Services – in total, 9 actions are outstanding, of which 8 are overdue lower level recommendations

Implementation of actions is progressing satisfactorily in this area, as allowance need to be made for ongoing resourcing issues.

North Bridge Stores – 19 actions are outstanding, of which 12 are overdue lower level recommendations

Actions in this area have only recently become overdue (end June). It should be noted that a monitoring & commitment schedule was agreed by the Trading and Property Services Assistant Director in response to the Stores Audit report, in May. This details the management overview and ongoing monitoring of action implementation arrangements that have now been put in place. Bi weekly update meetings between the Head of Service and Stores staff commenced mid-June. Additionally, the first coaching sessions on specified aspects of the electronic system, Inventory Management, between Stores and Financial Development occurred at the beginning of July. This should clarify problematic areas and add efficiencies

- 3.6 The number of major level recommendations overdue has increased this period from 4 to 8, however outstanding lower level recommendations has decreased slightly. Internal Audit will continue to rigorously pursue their implementation with senior management.
- 3.7 The number of audit recommendations currently awaiting implementation is 73 (85 reported last period) of which 46 (50 reported last period) have passed their original agreed implementation date. The above noted Deprivation of Liberties Safeguards and North Bridge Stores audits account for nearly half of the recommendations currently awaiting implementation. 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 again been undertaken on implementing long overdue outstanding recommendations. The spread of recommendations still awaiting implementation is shown below:

Directorate	Number of rec's at April 2019	Plus New rec's in year	Less Rec's implemented	Number rec's at 3rd June 2019
Adults, Health and Wellbeing	37	+5	-20	22
Regeneration & Environment	17	+26	-9	34
Corporate Resources	7	+9	-4	12
Learning & Opportunities (Children & Young People)	8	+1	-4	5
TOTAL	69	+41	-37	73

3.9 The number of actions currently awaiting implementation has risen slightly. This is due to the significant number of actions recently reported for North Bridge Stores. Progress has been demonstrated, so far, in addressing these actions and Internal Audit are actively monitoring the situation.

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 2019:

Performance Indicator	Target	April to June 2019	Variance (positive is good)
Percentage of planned audit work completed	23%	20%	-3%
Draft reports issued within 15 days of field work being completed	90%	91%	+1%
Final reports issued within 5 days of customer response	90%	100%	+10%
% 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%	80%	-10%
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4.2 The percentage of planned audit work completed at 20% is slightly below target due to several factors including:-

Issues within customer directorates

- High levels of responsive work experienced by the team in the first quarter.
- Additional time being required to complete some jobs due to the number or complexities of issues identified as the audit progressed.

Issues within Internal Audit

- Higher levels of sickness than budgeted for
- Higher levels of training than budgeted for.

4.3 The plan for the remainder of the Financial Year has been assessed and the Head of Internal Audit considers that sufficient work will be delivered to be able to provide his opinion on the Council's, risk governance and control arrangements. Should delivery of this programme of work 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.

4.4 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.

4.5 Issuing draft reports within 15 days of fieldwork completion is at 91% and issuing final reports within 5 days of client feedback on the draft report is at 100% which is good performance in this area.

4.6 The percentage of jobs completed within 110% of the budget is below target. Ongoing scrutiny in relation to this performance indicator is in place.

Planned Audit Work Completed in Period / Not Previously Reported

APPENDIX A

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
LEARNING AND OPPORTUNITIES:CYP				
School Governance Agenda	Ongoing work throughout 2018/19 to help improve governance overall.	31/03/19	n/a, support work only	None
Museum Inventory Arrangements Follow Up	Ensures previously reported risks identified are now being managed effectively.	09/05/19	n/a, follow up work only	The Museum Inventory has been out of date since 2015, although work has been done bringing it up to date. A plan has now been devised to do a full update and maintain the inventory.
CORPORATE RESOURCES				
Accounts Receivable	Ensure that accurate and timely billing takes place for goods and services that have been provided and that there are sound arrangements to maximise collections.	16/01/19	Partial Assurance	Promotion of responsibility in the Service Areas is to be developed to improve debt recovery and identify further areas for payment in advance. Business continuity arrangements to be tested in full.
Corporate Procurement Arrangements	Ensure that the central procurement and commissioning arrangements, where they are the responsibility of the Strategic Procurement Team, are robust in identifying and dealing with procurement issues.	18/03/19	Partial Assurance	Procurement documentation and advice given was found not to be standard across the board. Departmental training and the publication of statutory information was found to be undertaken ad hoc.

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
Business Rates	That the right rates / taxes are collected from the right payees at the right time.	26/03/19	Substantial Assurance	None
External Cloud Security (None Hosted Systems)	Overview of the arrangements in place to ensure that the Council's data is kept secure when hosted by external cloud suppliers.	10/04/19	Position statement only as arrangements are in their infancy.	A protocol for the assessment of cloud services and an associated security matrix that is intended to be completed as part of any appropriate Council procurement process are to be developed.
Council Tax	Examine the extent to which the operational risks and operational processes are effectively managed within the Council Tax system to ensure that the correct tax is calculated for the right people at the right time and that collections are maximised.	17/04/19	Substantial Assurance	None
REGENERATION AND ENVIRONMENT				
Property Investment Fund	Assess the processes involved in acquiring investments using money from the Property Investment Fund to ensure that returns are maximised.	07/03/19	Substantial Assurance	None
Strategic Asset Management – Income Management Review Follow Up	Ensures previously reported risks identified are now being managed effectively.	07/03/19	Limited Assurance	A full reconciliation between TF Cloud and Accounts Receivable to ensure that all income is being collected has not yet been finalised.

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
North Bridge Stores	Ensure that an efficient and robust stock control system is in operation at North Bridge Stores.	30/05/19	Limited Assurance	The limited scale of regular stock takes and subsequent review of discrepancies identified, which have been undertaken since the introduction of the new inventory management system (November 2017), give rise to concern over the timely identification of any possible losses through fraud or error.
ADULTS AND COMMUNITIES				
Troubled Families Grant (December to March)	Grant certification. Confirm expenditure and that it is in keeping with the conditions of the grant.	31/03/19	No report, grant certification only	None
Adult Payments Systems – Day Care	Assess the financial arrangements in place ensuring that day services payments are made only for goods and services received.	21/01/09	Substantial Assurance	None
Adult Payment Systems – Residential Care	Ensure that only legitimate payments are made and the right amount is paid to the right suppliers at the right time.	14/06/19	Partial Assurance	There is a high level of outstanding self-funder debt; this is also not reported within performance information.
Doncaster Integrated People Solution (DIPS) Advisory	Ongoing advice throughout 2018/19 regarding financial payment controls.	31/03/19	n/a, advisory work only	

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
AHW – Risk Development	Advice and support with risk identification and development of risk registers for the Directorate.	31/13/19	n/a, advisory work only	
AHW - Governance Development	Ongoing work throughout 2018/19 to help improve governance within the Directorate.	31/03/19	n/a, advisory work only	

Overdue Major Recommendations

APPENDIX B

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
ADULTS AND COMMUNITIES						
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	<p>Complete</p> <p>Assistant Director responsibility and a Project Lead are 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.</p> <p>A revised plan was agreed at Cabinet 04/06/19 and reported to Audit Committee 19/06/19. This item will remain on the Audit Committee Action Log.</p>
Contract Monitoring Review - Supported Living	The CareFirst system is not currently capable of being used to record service delivery and associated payment.	Changes to client related data may not be updated on a timely basis by both the	As part of the scope of the CareFirst project the intention is to move all elements of care packages onto	31/05/18	31/07/19	A decision was taken in March 2018 that due to a number of issues linked in the main to data quality and the implementation of the DIPs system, that it would not be

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
	A project is currently being progressed under the Council's Digital Transformation Programme, which should address this issue.	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.	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.			possible to move the care packages onto CareFirst. The Board agreed that all elements of care packages, including the service provider payment process would now be included in the new IT system which was procured in June 2018 with a revised implementation date of March 2020. Interim arrangements continue to be reviewed.
Direct Payments / Personalised Budgets Follow-up	There are limited procedures documented for the social care workers to follow when completing an assessment or review of a service user. It is also acknowledged by management that there are different systems and	Inappropriate and ineffective practices may be being followed.	Procedures will be documented for all the systems and processes in operation to ensure that all staff are consistent in their work. A subsequent exercise will be	31/03/18	28/02/19	Complete Training has been provided to all staff and they have been reminded to follow procedures following the training. However, the new DIPS system will document the processes and all other outside system processes will need to be documented for all staff also. This is now not due

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
	processes potentially operating within the different areas as well as for different staff.		completed for staff feedback on what is actually working in practice. This will then be incorporated into the wider review for the processes moving forward with the new systems to be established.			to be implemented until February 2020.
Direct Payments / Personalised Budgets Follow up Review	There is still a backlog of care plan reviews to be undertaken to ensure all existing service users have been reviewed within the year. The backlog figure as at December 2017 was 242 reviews overdue out of 760 current Direct Payment service users.	The service user may not be getting the care they require and incorrect payments may be being made.	The Programme Management Office team will work with area teams to reduce the backlog figure and ensure these are as up-to-date as possible.	30/06/18	31/03/19	Extensive work has been undertaken with the locality teams to reduce the number of outstanding DP reviews. This is now being managed at the monthly performance clinic, weekly senior leadership teams and manager's one to ones.
Direct Payments / Personalised	A post has previously been in place within Adult Social Care	Lower cost care plans may be set up	Management should review the debt management	30/06/18	30/06/19	Complete The Homecare Project Board

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
Budgets Follow up Review	which has provided a vital link between Finance and Adult Social Care. The role has helped to reduce packages on review, avoided future debt arising and contributed to the collection / reduction of outstanding debt. If cases are reviewed which are considered higher financial risk these can help prevent further debts being raised and ensure appropriate care is provided.	and debt may increase due to the lack of debt management in place.	arrangements taking into account a holistic view of the costs and benefits for the Council. This will be included within the Direct Payment Project Board agenda for future developments.			now has an action plan for all projects and a monthly highlight report is completed for all projects. Evidence of debt management arrangements are in place for Direct Payments.
Direct payment follow up review	Whilst there has been a positive increase in Direct Payment uptake of 91%, there is however a concerning increase of 22% in the average cost of a Direct Payment.	Inconsistency of decisions for service users and therefore inappropriate plans may be agreed. Budgetary pressures on	The team are currently undertaking a deep dive audit of all Direct Payments authorised to date this financial year to ensure the costs associated are	31/12/18	31/04/19	Average weekly costs of Direct Payment packages has risen from £274.84 at 2/4/18 to £288.63 at 28/1/19. The above averages do not include 1 off Direct Payments. When Direct Payment panel came into effect (1/10/18) the average weekly cost of a package was £293.30 and

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		Adult Social Care.	reasonable and appropriate plans are in place for service users care needs.			that figure has not been breached in any week from that point. Whilst the action has been closed DP's will continue to be monitored via the homecare project board, the monthly ASC and Support Clinics, weekly SLT meetings and during staff one to ones to ensure we are assured that we have oversight of Direct Payments going forward.
DoLS	The DoLS team have not determined a series of specific exception reports that they require to provide management information on the processes carried out by the team. These would help inform them of any part of the process taking longer than expected, any cases stuck at particular stages, parts of the process not being completed or data quality errors	<p>Management information is not available to enable performance monitoring ensuring key targets are met.</p> <p>Data quality and processes issues cannot be detected and corrected.</p>	The DoLS team will determine what their exception reporting requirements are and arrange for the Strategy and Performance Team to develop the appropriate reports.	30/06/18	30/04/19	The reports were being developed using a new system, PowerBI, for which DoLS were part of a pilot scheme, however SPU have now withdrawn their support due to resource issues. The reports in PowerBI are in the final stages of development although adjustments are still required for the more complicated data and support is required. Enquiries are being made to request further support to finalise the reports.

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	that require correction.					
DoLS	The DoLS team have not determined a series of specific exception reports that they require to provide management information on the processes carried out by the team. These would help inform them of any part of the process taking longer than expected, any cases stuck at particular stages, parts of the process not being completed or data quality errors that require correction.	<p>Management information is not available to enable performance monitoring ensuring key targets are met.</p> <p>Data quality and processes issues cannot be detected and corrected.</p>		31/08/18	31/01/19	This cannot be actioned until the exception reports are in place. The reports were being developed using a new system, PowerBI, for which DoLS were part of a pilot scheme, however SPU have now withdrawn their support due to resource issues. The reports in PowerBI are in final stages of development although adjustments are still required for the more complicated data and support is required. Enquiries are being made to request further support to finalise the reports.
DoLS	The transfer of sensitive personal information between the DoLS team and external assessors is not carried out using	<p>Breach of the Data Protection Act</p> <p>Inefficient</p>	The Framework Contract for DoLS external assessors that is currently being procured will	30/09/18	18/02/19	A decision has been made to use the recruitment agency Reed to manage our framework of assessors. Data protection rules and requirements will be included

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	<p>a secure method.</p> <p>External assessors have not been made aware of data protection rules and requirements and have therefore not agreed to adhere to them.</p> <p>Whilst the individuals contracted to do the assessments are not part of the Council, they are in fact data processors for the Council. It is the Council that retains overall liability for any data protection breach, whether this is caused by the Council or by the independent assessor.</p>	<p>manual intervention is needed to take the assessment information into CareFirst.</p>	<p>include in its terms and conditions the data protection rules and requirements. All assessors will be required to read and agree to these terms and conditions. This will include the external assessors responsibilities regarding data protection and also the consequences of a breach occurring and reporting arrangements.</p>			<p>in the framework contract with Reed which is due to become live in February 2019.</p>
DoLS	<p>Data quality within the DoLS element of the CareFirst system is poor.</p>	<p>Data quality issues may affect the annual return</p>	<p>Management will ensure that data quality issues within the Carefirst system</p>	30/06/18	18/02/19	<p>Weekly and monthly monitoring actions and checks are carried out which have had a positive impact on staff</p>

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	<p>A monitoring exercise was carried out during the audit on cases that had already been validated by the allocated admin worker and issues were found on every case checked which raises serious concerns over the data quality of the information contained in the CareFirst system and consequently the information reported to Audit Committee and the Annual Report. It would be difficult for the team to produce an accurate data response in the event of a Data Subject Access Request.</p>	<p>to Government.</p> <p>Poor data quality may lead to inappropriate service decisions and an inability to answer any litigation brought against the Council.</p> <p>Breach of the Data Protection Act (Principle 4 - Accuracy).</p>	<p>for 2018/19 cases are investigated and rectified.</p> <p>Once other actions resulting from this audit have been implemented the number of data quality problems should decrease, thereby reducing the number of corrections required.</p>			<p>morale, output and data quality.</p> <p>Weekly validation work is underway to ensure the data is ready for the 2019 annual return submission.</p> <p>This work is ongoing and is on track to be completed by the time the annual return is due.</p>
Strategic Asset	There are 2 recommendations	Income may be lost as	A full end of year reconciliation	31/05/19		All 1956 entries held on the TF cloud download of all

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Management – Income Management Review Follow Up	that still require implementation from a review completed in 2017. The most significant of these requires the Assets Team to conduct a full reconciliation between the lease / rent recording system, TF Cloud and Accounts Receivable to ensure that all income is being collected. Although this has been started, it has not been completed.	errors may have occurred resulting in income not being collected and this would not be routinely identified for correction.	between TF Cloud and Accounts Receivable will be completed to ensure that all income is being collected.			<p>lettings (leases, licenses etc.) have now been matched to a download from the AR system (full year).</p> <p>Further work is now being undertaken to demonstrate on the reconciliation spreadsheet the income due per TF Cloud records to income billed per AR records and to show whether or not income billed was more/less/same as recorded on TF Cloud.</p>