

To the Chair and Members of the

AUDIT COMMITTEE

INTERNAL AUDIT REPORT FOR THE PERIOD: APRIL 2016 to JULY 2016

EXECUTIVE SUMMARY

1. The report attached at Appendix 1 updates the Audit Committee on the work done by Internal Audit for the period April 2016 to July 2016, and shows this in the context of the audit plan for the year. The report also includes performance information and details on the implementation of internal audit recommendations.
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. There are three minor amendments to the audit plan included in this section of the report.

Section 2: Audit Work Undertaken During the Period

Planned Audit Work Completed

5. Our planned audit work continues to confirm the Council generally has appropriate controls in place and that the controls are operating effectively.
6. During the period, most of our work provided reasonable levels of assurance about the existence and operation of controls under review. We mostly provided 'partial' or 'substantial' assurance opinions. There were four audits completed in the period where we gave 'limited assurance' opinions:
 - a. Debtors and Income Management - where improvements are required in terms of setting targets and monitoring progress against them.
 - b. Direct Payments for Adults - this audit identified high numbers and values of overpayments of direct payments and a lack of monitoring and management, systems weaknesses and a lack of recovery actions.

- c. Markets Financial Administration Review – this identified considerable improvements from the previous year while identifying outstanding actions still to be completed.
- d. Compliance with eligibility criteria for European Structural Funds - the audit identified a lack of corporate instructions, guidance and support for project officers planning to use or using European Structural grant funding, which would help confirm the Council could ensure and demonstrate compliance with eligibility criteria when subject to any external audit.

Unplanned responsive work carried out in the period

7. Responsive work is difficult to predict but highly valued by managers who ask for Internal Audit's assistance in dealing with a wide range of issues. Time spent on responsive / investigative work is currently running at the level anticipated and budgeted for in the audit plan.
8. We are currently undertaking a major review of issues arising in the Safeguarding Adults Personal Assets Team (referred to elsewhere on the Audit Committee agenda) and a review of a high value project undertaken on behalf of the Doncaster East Drainage Board. Further examples of work done under this heading are included within the report.

Section 3: Progress on the implementation of audit recommendations

9. There are 9 overdue major recommendations across the Council. There is a sound process in place for ensuring the implementation of major audit recommendations, which keeps the number of outstanding recommendations to a minimum number.
10. Internal Audit is now also proactively tracking and reporting on the number of other (non-major) recommendations outstanding. There are 36 overdue lower level recommendations as at July 2016. We are working closely with management in all directorates to reduce the number of overdue actions they have.

Section 4: Performance Information

11. The overall performance of the audit service continues to be good.
12. Performance against the Internal Audit's key indicators is above or exceeding target. 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.

RECOMMENDATIONS

13. **The Audit Committee is asked:**
 - a. **To note the changes to the original audit plan.**
 - b. **To note the internal audit work completed in the period**
 - c. **To note progress made by officers in implementing previous audit recommendations**
 - d. **To note information relating to Internal Audit's performance in the period**

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

14. 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

15. 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 AND RECOMMENDED OPTION

16. Not applicable - for information only

IMPACT ON THE COUNCIL'S KEY OUTCOMES

17. 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 but in particular the following:

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
	<p>Working with our partners we will provide strong leadership and governance.</p>	<p>The work undertaken by Internal Audit improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

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

LEGAL IMPLICATIONS

19. 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

20. There are no specific financial implications associated with this report.

HUMAN RESOURCE IMPLICATIONS

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

TECHNOLOGY IMPLICATIONS

22. There are no specific technology implications associated with this report.

EQUALITY IMPLICATIONS

23. 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 identified within this progress report would have been subject to their own relevant equalities implications assessment.

CONSULTATION

24. 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.

BACKGROUND PAPERS

25. 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 to 31 July 2016

Doncaster Council

Internal Audit Progress Report

To 31st July, 2016

Section 1: Revisions to the Audit Plan

- 1.1. The 2016/17 Audit Plan was approved by the Audit Committee on 7th April 2016. As the audit year progresses, the plan is reviewed to take into account new and emerging risks and any responsive work arising. Accordingly some changes have been identified to the previously approved plan and these are set out below:

The following job has been cancelled:

- **Services Transferring to the Children’s Trust** – Cancelled due to Management not no longer requiring support from the Audit Team.

The following jobs have been added to the plan:

- **Social Care Capital Grant Determination** – this is a new grant which there was no awareness of at the time of the audit planning process
- **Bus Services Operators Fuel Grant** – a change in criteria means this grant claim requires verification by Internal Audit

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 Council’s control environment. A ‘limited’ opinion is given in any area under examination where one or more concerns of a ‘fundamental’ nature are identified in the area. Rarely, a “no assurance” opinion is given where the area under review is considered to be fundamentally exposed to critical risks.

Summary of Findings from Audit Reviews

- 2.2 Summary conclusions on all significant audit work to 31st July 2016 are set out in **Appendix A**.

Audits providing “limited” opinions

- 2.3 Our work concluded that the control environment was inadequate in 4 areas, leading to the issuing of limited assurance opinions in these 4 areas, as detailed below:

Directorate / Audit Area	Report to Management.	Summary of Significant Issues
Finance and Corporate Services: Debtors and Income Management	22/06/16	<p>Good progress is being made on reducing overall debt, but there is still a lack of sufficient management information, such as relating to collection and recovery rate targets, to be able to determine if performance is satisfactory.</p> <p>Without meaningful performance monitoring, it is not possible to assess how well the accounts receivable arrangements are working. Additionally, departmental Managers may not be fully aware of any issues caused by their departments and further necessary training requirements may not be identified.</p>

		The E5 system allows new customers to be added without approval, which means duplicate duplicate accounts can be established, making collection and recovery processes inefficient and potentially ineffective.
Adults, Health and Wellbeing: Overpayment Review of Direct Payments	16/03/16	Issues identified included: <ul style="list-style-type: none"> • High numbers and values of overpayments of direct payments • A lack of monitoring and management of overpayments • Weaknesses in the systems to pay, and monitor the payments and recover overpayments • Lack of joined up working between the various parties involved in this area.
Regeneration and Environment: Markets Financial Administration Review	03/06/16	This was reported in detail at June Audit Committee Considerable progress was noted from the previous year's report which resulted in a "no assurance" opinion. Key / issues remaining were: <ul style="list-style-type: none"> • To implement a new markets management system to manage market tenancies and stall rent arrears, and • Further work is required to ensure that a comprehensive and robust recovery policy is in place and is enforced.
Corporate / Council Wide: Ensuring Compliance with European Structural Fund Grant criteria	09/03/16	All European Structural Fund Grant received by the Council is subject to external audits carried out by either the Department for Communities and Local Government or the European Commission. Recent audits have identified non compliances relating to procurement practices adopted by DMBC. This has resulted in claims being sought as clawback from DMBC. The audit identified a lack of corporate instructions, guidance and support for project officers planning to use or using European Structural Funds.

Responsive Audit Work and Investigations

- 2.4 In addition to our assurance work, we also investigate allegations of fraud, corruption or other irregularity and respond to requests for assistance from the various services

and functions in the Council. A summary of the more significant pieces of work that have been completed in the period is provided at **Appendix C** with the major areas being our work with the Safeguarding Adults Personal Assets Team and Internal Drainage Boards.

Section 3: Implementation of Audit Recommendations

- 3.1 Following the completion of audit work, draft reports are discussed with management to obtain their comments and confirm the factual accuracy of the report and their agreement to the implementation of recommendations. This results in the production of an Improvement Plan, containing details of implementation dates and the officers responsible for delivery of each agreed action. Final reports, incorporating an agreed Improvement Plan, 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, a more detailed follow up piece of 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 performance and finance challenge process and consequently monitored through that process as well as being routinely reported to Audit Committee.
- 3.4 A summary of all outstanding major recommendations is provided in **Appendix D**.
- 3.6 We have reviewed the status of outstanding recommendations across the Council and analysed these over the relevant directorates. Key issues to note are:
 - a) Our efforts in the past have been aimed mostly at addressing the major or critical actions – this has been successful, with there being currently 9 major recommendations overdue for completion.
 - b) There are 36 non-major recommendations overdue at 31 July 2016, and these are distributed as follows:

Directorate	Overdue non-major recommendations at 31 July 2016
Adults & Communities	16
Regeneration &	11
Finance & Corporate Services	9
Learning & Opportunities (Children & Young People)	0
TOTAL	36

(note: schools are excluded from this analysis)

- c) We have worked successfully with management in the Adults Health & Wellbeing Directorate. In February 2015 a report was brought to Audit Committee detailing 84 recommendations outstanding of which 7 related to major risk exposures. As at

18th March 2016 the number of recommendations outstanding had been reduced to 23, none of which involved exposure to major risks. The Directorate currently has 16 overdue recommendations still to clear, and we are confident that appropriate attention is being given to the clearance of outstanding recommendations.

- d) We are establishing closer arrangements with management in all directorates to reduce the number of overdue actions they have. Whilst we will obviously ensure that major risk actions are given priority, we will also ensure that lower rated actions are also being managed in a timely manner.

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 1 April 2016 to 31 July 2016.

Performance Indicator	Target	1 April to 31 July 2016	Variance
Percentage of planned audit work completed	30%	37%	7%
Draft reports issued within 15 days of field work being completed	90%	88%	-2%
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 10% of budget	90%	91%	1%

- 4.2 Results relating to major recommendations and customer satisfaction remain extremely positive with 100% of critical or major recommendations agreed and 100% of Customer Satisfaction Surveys rated Satisfactory or above.
- 4.3 Planned audit work complete is showing a strong positive variance which is slightly skewed due to a high number of small (primarily grant jobs) having been completed during the period.

APPENDIX A

Summary of Planned Audit Work Completed

Audit Area	Assurance Objective	Final Report to Mgmt.	Overall Audit Opinion	Summary of Significant Issues
FINANCE AND CORPORATE SERVICES				
Cash Book	To confirm cash book system is functioning within normal arrangements and that financial controls can be relied on.	03/05/16	<i>Partial Assurance</i>	In general controls were found to be operating effectively but improvements were required in the development of a counter fraud report to detect delayed banks transactions.
Treasury Management	To confirm the Treasury Management processes are functioning within normal arrangements and that the controls can be relied on.	14/04/16	<i>Substantial Assurance</i>	Substantial Assurance therefore no significant issues to report.
Benefits	To ensure that benefits payments are made to the correct people, for the correct amount at the right time.	22/02/16	<i>Substantial Assurance</i>	Substantial Assurance therefore no significant issues to report.
Council Tax	Ensure that all Council Tax bills are issued to the correct people, for the correct amount and that there is an efficient and effective process for the collection of the debt.	26/01/16	<i>Substantial Assurance</i>	Substantial Assurance therefore no significant issues to report

Business Rates	Ensure that all Business Rate bills are issued to the correct people, for the correct amount and that there is an efficient and effective process for the collection of the debt.	28/01/16	<i>Substantial Assurance</i>	Substantial Assurance therefore no significant issues to report
Debtors and Income Management	To ensure that financial controls over income billing and collection arrangements can be relied upon and that debt recovery objectives are being met.	22/6/16	<i>Limited Assurance</i>	<p>Council departments are responsible for raising their own debtor accounts. Testing showed the procedures in place are generally adhered to and has not highlighted any areas of concern.</p> <p>However, the E5 system is still allowing new customers to be added without approval, which allows duplicate accounts to be made. This in turn does not assist with efficient debt collection, as customers may have numerous debtor accounts and therefore these debts are not being managed collectively</p> <p>There has been a reduction in the amount of outstanding debt (from 16% to 13.5%). This continues to be a positive improvement for the team. There remains a lack of sufficient information, such as collection rate targets, to be able to determine if this is a satisfactory reduction. Without meaningful performance monitoring, it is not possible to assess how well the accounts receivable arrangements are working. Departmental Managers may not be fully aware of any issues caused by their departments and staff and further necessary training requirements may not be identified.</p>
Pool Car Usage	The purpose of this audit was to ensure that pool car charges were	16/05/16	<i>Partial Assurance</i>	While in general controls were found to be operating effectively, the review identified that a lot of manual

Charging	<p>being properly administered and that charges to clients were accurate and covering pool vehicle costs.</p> <p>Consideration was also given to the scalability of the scheme to ensure that it was fit for purpose should the scheme be extended to outside partners in line with the thrust of the commercialisation agenda.</p> <p>Controls in place to govern pricing and billing mechanisms were reviewed.</p>			<p>intervention is in place to process pool cars, which leave the arrangements exposed to:</p> <ul style="list-style-type: none"> • Multiple recording and unnecessary re-keying of information • Manual input errors • Manual calculation errors regarding the number of miles driven (from vehicle start and end mileage dates) • Manual calculation errors of the cost of vehicle usage.
Purchase Card Payments	Ensure purchase card transactions are in line with the Corporate Policy and Procedures	22/04/16	<i>Substantial Assurance</i>	Substantial Assurance therefore no significant issues to report
Housing Rents	To confirm cash book system is functioning within normal arrangements and that financial controls can be relied on.	20/04/16	<i>Substantial Assurance</i>	Substantial Assurance therefore no significant issues to report
Review of Consultant Payments – Compliance with IR35	The objective of the audit was to identify those individuals who fall under the scope of IR35 and to ensure that their employment status has been properly assessed and the appropriate deductions	28/06/16	<i>Partial Assurance</i>	<p>The DMBC self-assessment tool to determine employment status was not fit for purpose as it did not actually provide an employment status determination whereas the readily available HMRC tool did provide such a determination.</p> <p>From the sample of 71 suppliers examined, 67 were found to be reasonable assessments. However,</p>

	made as required.			payments to 4 individuals highlighted within this report lacked sufficient support.
ADULTS, HEALTH AND WELLBEING (including Public Health)				
Overpayment Review of Direct Payments	The aim of the review was to provide advice and support and review current arrangements regarding Direct Payments as a result of concerns raised following routine follow up work from previous audits in this area.	16/03/16	<i>Limited Assurance</i>	Issues identified included <ul style="list-style-type: none"> • high numbers and values of overpayments of direct payments not being monitored or managed • weaknesses in the systems to pay, and monitor the payments and recover overpayments • lack of joined up working between the various parties involved in this area
Health Improvement Framework	The Health Improvement Framework has been developed in line with relevant guidance, is approved by the Health and Wellbeing Board and that effective governance including partnership governance and accountability arrangements are in place.	24/02/16	<i>Substantial Assurance</i>	Substantial Assurance therefore no significant issues to report
Public Health Grant Review	The objective of the audit is to ensure that grant funding is allocated and used in accordance with grant conditions.	22/01/16	Substantial Assurance (over the allocation of grant funding) Partial Assurance (over the use of the Wider Determinant Fund)	In general controls were found to be operating effectively but improvements were required over the monitoring of the Wider Determinate Fund
REGENERATION AND ENVIRONMENT				

Domestic Waste Collection	This audit aimed to review contractual monitoring arrangements for the monitoring of the domestic waste collection contract (SITA) and suggest appropriate improvements where necessary.	17/02/16	<i>Partial Assurance</i>	In general controls were found to be operating effectively, but improvements were required in the following areas: <ul style="list-style-type: none"> • Documenting quarterly spot checks on the KPI information supplied by SITA in their monthly performance reports; • Establishing an issues log for non-major contract performance issues; • Formally reporting to senior management on the outcomes of contract monitoring. • Working with the ICT team to re-introduce an automated report of complaints, to replace the current manual system of compiling complaints performance information.
Markets Financial Administration Review	This review summarises the findings of a follow-up audit of governance arrangements at Doncaster Markets previously undertaken by Doncaster Council's Internal Audit Service after a No Assurance report had been issued on the financial and governance arrangements in place.	03/06/16	<i>Limited Assurance</i>	A separate report was brought to Audit Committee in June 2016.
Tree Team Follow Up	A follow-up review of the Tree Team's overtime claims/call out claims and standard working days was undertaken following the results of a data match exercise carried out in 2014/15 which identified potential issues with the overtime claims / call out claims	12/04/16	<i>Substantial Assurance</i>	Substantial Assurance therefore no significant issues to report

	and compliance of the team with the Working Time Directive.			
CORPORATE / COUNCIL WIDE				
Ensuring ESIF Compliance	<p>Review of the Council's management of the European Structural and Investment Funds (ESIF) contribution to capital and revenue projects.</p> <p>(ESIF funds consist of the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD).</p>	09/03/16	<i>Limited Assurance</i>	<p>All ESIF received by the Council is subject to a number of external audits carried out by either the Department for Communities and Local Government (DCLG) or the European Commission (EC). Recent audits have identified non compliances relating to procurement practices adopted by DMBC. This has resulted in claims being sought as clawback from DMBC.</p> <p>The audit identified a lack of corporate instructions, guidance and support for project officers planning to use or using European Structural Funds.</p>

Responsive Audit Work - Advisory / Consultancy / Ad Hoc Work

APPENDIX B

Audit Area	Date Finished	Value of Work
Payroll to Creditors Match	12/04/16	Ongoing work checking for any duplication of payments for work done or potential abuses of position by employees
Schools Financial Values Standard 2015/16	25/05/16	Every school is required to make an annual return regarding its financial arrangement. Every school completed its return for the 2015/16 year and a summary return was completed reflecting this and was signed by the Director of Finance.
Conisbrough Balby Street Primary School Follow Up	02/02/16	Several actions were found to be still outstanding from its previous audit and further advice and support was provided to the school and its governors
Virtual School Consultancy Review The review was to look at Business Functions and Systems within the Virtual Schools Team to identify ways in which systems and processes can be improved.	21/04/16	The review identified improvements to be made around Leadership & Management, Funding, Business Systems and Functions Progress was noted in identifying ways in which they can change, develop and improve in order to deliver a service that is modern, responsive and ensures improved educational outcomes.
Bus Services Operators Fuel Grant	21/06/16	Bus Service Grant Signed off for the period of review
Stronger Families Grant	28/01/16	Grant sign off of the stronger families grant for DCLG.
AGS 15/16	12/06/16	Advice, support and challenge has been provided in the compilation of the AGS through assessing items identified through Internal Audit work and also in the moderation exercise require to identify those items for inclusion in the AGS
National Fraud Initiative (NFI)	12/04/16	This has been reported as part of the Annual Fraud Report.

Responsive Audit Work - Investigations Undertaken

APPENDIX C

Audit Area	Date Complete	Work Completed / Results
Danvm Drainage Board (February 2014) and other Doncaster Internal Drainage Boards	Ongoing	<p>Update July 2016</p> <p>A full follow up review by Internal Audit in September 2015 was carried out followed by further follow-up work in January 2016. This demonstrates that the Board has now implemented the majority of all actions due with most outstanding issues relating to longer term projects and all outstanding actions have an agreed date for implementation. One major item is overdue which related to setting out a process for dealing with member misconduct.</p> <p>Two telephone conference calls have been held with the NAO and our governance issues will be considered within their report due to be issued in August 2016 which covers governance arrangements around IDBs.</p> <p>The Board's external auditors have now signed off the accounts with a clean opinion but have made reference to the need for sound procurement arrangements given the relationship between the clerks to the Board and their consulting and engineering holding companies.</p> <p>Other Drainage Board related issues</p> <ul style="list-style-type: none"> Following a formal request by the Chair of Doncaster East Drainage Board, Internal Audit are investigating financial and governance concerns around the management of a DEFRA funded project
Safeguarding Adults Personal Assets Team (SAPAT) – Added October 2015	Ongoing	A separate report is going to Audit Committee for this area of work.
Surveillance Equipment procurement	24/07/16	Issues were identified with a possible conflict of interest with the procurement of a supplier. These were investigated with the relationship regarded as innocent and is now being managed as a conflict of interest.

Building Control Complaint (Added March 2016)	24/07/16	Concerns were raised over inappropriate practices within the Building Control Team Our work revealed no untoward practice and no further audit work is required.
Affinity Recruitment	24/07/16	This has previously been reported to both the April and June audit committees

Outstanding Major Recommendations

APPENDIX D

Audit Area	Finding	Risk Exposure	Recommendation	Estimated Implementation Date	Revised Implementation Date	Current Status
Regeneration and Environment						
Markets Financial Administration Review	No documented allocation policy or procedure. Allocation decisions and complaints are not documented.	Lack of documented policy, procedures decisions and complaints increases risk of inappropriate stall allocations, reputational damage and legal challenge.	Policies and procedures in respect of all market stalls (indoor, outdoor permanent and outdoor casual) including complaints and decisions made will be clearly documented.	30/06/2015	31/08/2016	Overdue Work is being undertaken to review and document existing policies and procedures.
Adults and Communities						
Overpayment Review of Direct Payments	Due to the backlog of audits on direct payment service users there is not yet a clear picture of the debt owed to the Council.	Loss of monies through irrecoverable debt.	The remaining Direct Payment audits will be completed to establish any further outstanding debt owed from direct payments. Once all audits are up-to-date a clear process for auditing direct payments will be established.	31/03/2016	30/09/2016	Overdue The backlog of outstanding audits continues to be reported and monitored on a weekly basis and debtor invoices raised promptly where outstanding debt is identified
Overpayment Review of Direct	There is still a backlog of care plan reviews to be undertaken to ensure	The service user may not be getting the care they require and	Management have acquired additional resources they consider	30/06/2016	30/09/2016	Overdue Care plans reviews have been substantially

Payments	all existing service users have been reviewed using the new Carefirst case management process and to have gone through the new RAS (Resource Allocation System) assessments. This however will be dependent upon sufficient resources being applied to the task.	incorrect payments may be being made.	sufficient for the backlog of care plan reviews to be completed within agreed timescales.			completed
Overpayment Review of Direct Payments	There are many concerns around the use of money either by misspend by the service user, non contribution of service users amount, excess balances and also not producing the bank statements and receipts for verification. Currently there are debtor accounts with a value around £650k due to these areas.	Incorrect use of direct payment money. Inefficient use of resources. Substantial, difficulty to recover overpayments.	Direct Payment Accounts will be the default option for all new service users receiving a payment of direct payments. All existing service users will be assessed on review and transferred to Direct Payment Accounts where considered appropriate. Other methods will be considered under exceptional circumstances.	30/06/2016		Overdue This is substantially completed. Internal Audit is awaiting evidence to allow closure of the action.
Overpayment Review of	There is further work to be done to ensure that	Ineffective care plans and increase in debtor	There will be an appropriate feedback loop	30/06/2016		Overdue

Direct Payments	all parties involved in the direct payments process act in a joined up manner with better feedback mechanisms to improve care and case management	accounts raised for direct payments.	process built into the personal budgets and direct payments process to ensure more efficient and effective care plans and better management of personal budgets by service users.			This is substantially completed. Internal Audit is awaiting evidence to allow closure of the action.
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Finance and Corporate Services

Information / Manual Records Management	<p>Copley House has been used as a temporary archive since November 2012. Copley House is meant as a temporary storage solution. It is not fit for purpose and does not have the capacity to hold all the required records.</p> <p>Discussions with the Head of Libraries and Information highlighted that discussions were underway on the Long Term arrangements for storing warm and cold storage, however they had not been approved or communicated.</p>	Staff not kept informed on future plans or progress.	Management will keep records management staff up to date on the services progress and future plans. The long term plan for storage of records once established and approved will be communicated to staff.	31/01/2014	28/02/2016	<p>Overdue</p> <p>A project Manager has been allocated from ICT and a project initiation document has been completed. The project has a 3 year timescale. This audit will be followed up yearly.</p>
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<p>Information / Manual Records Management</p>	<p>Records held at Balby are securely destroyed in accordance with the Councils Retention and Disposal policy to guard against loss or destruction. However, the majority of departments do not get in touch when records can be destroyed. There are a lot of records that have not been destroyed that have past their date. An approval system to destroy records is not in place.</p>	<p>Non-compliance with legislation. Information is retained for longer than is required. Avoidable storage capacity problems created. Ineffective and inefficient operations.</p>	<p>Records Management staff will start to look at the records held in Balby and Thorne BSS as a matter of urgency to establish the amount of records that are to be stored legitimately to assist with ascertaining the long term storage requirements for the Council.</p> <p>A report was presented to the Chief Executive and Directors on the 29th October 2013 relating to the long term future council facility for all records storage. Following on from this an action plan will be produced and coordinated to move forward the required changes by the required dates and to monitor progress.</p>	<p>31/03/2014</p>	<p>28/02/2016</p>	<p>Overdue</p> <p>A project Manager has been allocated from ICT and a project initiation document has been completed. The project has a 3 year timescale. This audit will be followed up yearly.</p>
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<p>Payment Card Industry Data Security Standard (PCIDSS) Compliance</p>	<p>Non-compliance with regulatory and security requirements relating to the receiving of income through payments made by phone with the use of payments cards</p>	<p>Potential ongoing fines for non-compliance</p>	<p>Work with Departments to ensure Compliance, including:-</p> <ul style="list-style-type: none"> • A co-ordinated, compliant, approach • Business Process Re-engineering where needed • Developing a full suite of Products • Establishing one Merchant Number <p>Provide Guidance and Policy on Procuring systems compliant with PCI Standards:-</p> <ul style="list-style-type: none"> • PCI Standard Awareness • Policy / Guidance 	<p>31/3/16</p>	<p>31/3/17</p>	<p>Overdue</p> <p>It has been negotiated with RBS World Pay to allow one submission under the Council's primary merchant number to cover all the "unregulated" Point of Sale (POS) with separate merchant numbers.</p> <p>However, the full implementation of this recommendation is reliant on the delivery of a corporate Chip and Pin solution which was due to be included in Lot 2 of the Bank Tender which has now been delayed.</p> <p>Staff managing each unregulated point of sale OS have undertaken some form of training in managing the POS in line with PCI DSS guidance and work has commenced on producing an Income Management Payment Strategy/Policy.</p>
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Ensuring ERDF Compliance	Lack of certainty over whether the Council's arrangements comply with European grant criteria.	Potential for loss of grant funding / clawback of previous grant.	External review of ERDF Guidance to be carried out	31/5/16	30/9/16	Overdue The Head of Procurement has sourced an appropriate external legal specialist (Trowers & Hamlins LLP) to review the procurement guidance used by the Council for ERDF funding. We are currently awaiting a response from Trowers & Hamlins LLP.
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