

### SUMMARIES OF COMPLETED AUDITS

#### A. CHILDREN, FAMILIES AND ADULTS

##### A1 Early Help

This summary relates to the first of two embedded assurance reviews which are being conducted into the Early Help Project in Enhanced and Preventative Services. The first report, examining the initiation phase of the project, has now been issued.

Based on the completion of our fieldwork an opinion of **Moderate** assurance was assigned that the project has commenced with sufficient consideration of key project management requirements. The moderate assurance opinion reflects areas of good practice, but also acknowledges some areas where controls require further development.

The Early Help Project was initiated due to a requirement to achieve savings within Enhanced and Preventative Services, as well as a desire to move to an improved model of early preventative work with families. Timescales to achieve savings are tight but the project is still expecting to deliver its full savings requirement in 2015/16; this will be achieved by increasing the amount of annual savings achieved in the first year, which will balance out the delayed implementation date. To date, the Project Plan appears to be running on track with most actions completed on time.

Overall, it was identified that there is a lack of clarity around the project's key benefits and the critical success factors at each phase of the project. Whilst it is acknowledged that the financial savings to be achieved by the project may be a sensitive issue, at present these have not been clearly laid out in the Business Case or any supporting project documentation.

A lack of clear understanding of the key benefits of the project will make it difficult to measure its ultimate success or failure, or to track progress towards the project's goals; it will also create a challenge when quality management and assurance frameworks for the project are being designed and implemented. Furthermore, it creates a risk that different members of staff or different stakeholders involved with the project have a different understanding of the priorities and targets to be achieved.

It was also identified that risk management of the project could be strengthened. Although the Project does have a Risk Log, this appears to require further development, with just six recorded risks at the time of review. Actions to mitigate risks are not currently linked to the Project Plan, and the Risk Log does not recognise or seek to mitigate any of the risks around:

- Failure to achieve required savings;
- Project overruns;
- Danger of the process alienating partner organisations or communities.

Failure to identify and effectively mitigate key risks makes it significantly more likely that unexpected problems will occur and impact upon the project's success. Without a complete and up-to-date risk register, it is not possible to provide assurance that the risks to successful completion of the project have been actively identified and are being suitably managed. Effective completion of a risk register is likely to be made easier when a clear set of key benefits of the project has been defined.

Further audit work later in the year will concentrate on reviewing actions taken to address the findings of this initial report, and to review progress made across the project as a whole.

### **Assurance Summary – Early Help**

| <i>Process Area</i>            | <i>No</i> | <i>Limited</i> | <i>Moderate</i> | <i>Substantial</i> | <i>Full</i> |
|--------------------------------|-----------|----------------|-----------------|--------------------|-------------|
| Governance and Decision Making |           |                |                 |                    |             |
| Benefits Realisation           |           |                |                 |                    |             |
| Project Resources              |           |                |                 |                    |             |
| Risk Management                |           |                |                 |                    |             |
| Time Management                |           |                |                 |                    |             |
| Cost Management                |           |                |                 |                    |             |
| Quality Management             |           |                |                 |                    |             |
| Communication                  |           |                |                 |                    |             |
| Overall                        |           |                |                 |                    |             |

## **A2 Delayed Discharges Validation**

Delayed Transfers of Care (DTOCs) are experienced by hospital in-patients who are medically ready to leave hospital but are delayed from doing so due to problems in transferring their care from the hospital to social care. Figures on Delayed Transfers Of Care are published nationally, and the Community Care (Delayed Discharges) Act 2003 sets out how to determine which patients are classed as 'Delays' and how to attribute the causes of delay to either the NHS, social care, or both. Where a delay is attributable to social care, the Council may be liable to pay reimbursement to the hospital, depending on the individual arrangements in place.

Cambridgeshire County Council's Discharge Planning Teams work together with representatives from the NHS to agree these performance figures on delayed discharges and to agree to which organisation delays should be attributed; this process is known as validation.

The objectives of this review were to provide management with assurance that there are appropriate controls in place to effectively mitigate the following risks relating to the Delayed Transfers of Care validation process:

- The Council incurs financial penalties resulting from DTOCs which are formally attributed to social care, when the delay is not due to social care;
- The Council's reputation and performance figures are negatively affected by DTOCs which are formally attributed to social care, when the delay is not due to social care;
- Different procedures for validating DTOC performance figures are in place at different hospitals, meaning that performance information is not fair and transparent and will not reliably highlight areas for concern and inform improvements in the hospital discharge processes.

Based on the completion of our fieldwork, **Moderate** assurance was assigned over whether the processes in place for the validation of Delayed Transfers of Care are mitigating the risks outlined above.

Our review identified a number of areas of good practice. Two validation meetings were attended by the Auditor, one at Addenbrookes hospital and one at Hinchingsbrooke hospital. Members of staff attending these meetings were clearly knowledgeable and experienced in the validation process, with discussions focused on the needs of the patient and a good level of challenge and dialogue between attendees from different organisations and/or specialisms. No instances were identified where the Auditor was concerned that a delay had been categorised as due to Social Care where this was not the case.

The review did identify some inconsistencies in practice between the different teams involved in validating delays, as well as a lack of engagement between the Discharge Planning teams in place at different locations. There is a risk that inconsistent practice between hospitals will lead to inconsistencies in performance data, making it unreliable as a tool with which to highlight areas for concern and inform improvements in the hospital discharge processes. The lack of written procedures around the validation of delays and payment of fines leaves the Council vulnerable to greater inconsistency or inaccurate categorisation of delays arising in future.

It is positive to note that significant work has already taken place to improve this situation, including the introduction of a county-wide Discharge Planning Steering Group which ensures greater engagement between Discharge Planning teams at different locations and encourages the sharing of best practice.

## **Assurance Summary – Delayed Discharges Validation**

| <i>Process Area</i>   | <i>No</i> | <i>Limited</i> | <i>Moderate</i> | <i>Substantial</i> | <i>Full</i> |
|---|-----------|----------------|-----------------|--------------------|-------------|
| Appropriate controls are in place to mitigate the risk that the Council incurs financial penalties, or finds its reputation and performance figures negatively affected, by Delayed Transfers Of Care which are formally attributed to social care, when the delay is not due to social care.   |           |                |                 |                    |             |
| Appropriate controls are in place to mitigate the risk that different procedures for validating DTOC performance figures are in place at different hospitals, meaning that performance information is not fair and transparent and will not reliably highlight areas for concern and inform improvements in the hospital discharge processes. |           |                |                 |                    |             |
| Overall   |           |                |                 |                    |             |

### **A3 Safe Recruitment in Schools –Infant School Follow-Up Audit**

The School was one of ten randomly selected schools in the 2013/14 safe recruitment sample and the audit was carried out in November 2013. Testing and discussions at that time identified that the school was failing to comply with many aspects of national and local requirements and guidelines resulting in significant weaknesses in the school's safe recruitment processes. As a result the school was issued with an audit report which provided Limited Assurance. In accordance with our routine follow-up procedures for Schools awarded Limited Assurance or below, a follow up audit was therefore required.

The objectives of the review were to provide assurance to the County Council that there has been sustained improvement in Safe Recruitment and Employment practices at the School since the previous audit and that local and national safeguarding procedures are being consistently applied.

Based on our fieldwork, **Moderate** assurance was assigned over the systems of control in place for the areas tested. The audit review found that the School has taken adequate and appropriate action to address many of the issues identified at the last audit, although there are still some areas where improvements are required. These are:

- **Job Descriptions and Person Specifications** – These documents were on file for three out of the four appointments reviewed but did not consistently include safeguarding responsibilities.

- **References** – No references had been received in respect of one of our sample who commenced work at the School in April 2014. Another employee who also started in April only had one reference on file. This was dated July 2014 and was from an internal member of staff who was not named as a referee on the application form.
- **Disclosure and Barring Service (DBS) Checks** – At the time of the audit, DBS clearance had only been obtained for one of our sample (although two had not yet started work at the School). School staff had not requested DBS clearance in respect of a new Cleaner on the basis that the employee would not be on site at the same time as the pupils. Internal Audit advised the Head Teacher that the post is still classed as being in “Regulated Activity” and therefore requires a DBS and other pre-employment checks.
- **Single Central Record** – The Single Central Record was generally complete and up to date but the Cleaner appointment had not been included for the reasons stated above.

Areas where significant improvement was noted were:

- **Application forms** - Our entire current sample had a complete and signed application form on file.
- **Shortlisting / Interviewing** – Interview questions and responses and shortlisting documentation were on file for our entire sample but in one case the interview process did not explore the safeguarding agenda.
- **Identity & qualification checks** - All of the required pre-employment checks had been performed. Evidence was held on file and had been signed and dated to indicate that original documents had been seen.
- **Recruitment & other policies** - Relevant policies and procedures have now been approved by governors or are on the agenda for the next meeting of the Full Governing Body in September 2014.
- **Personnel files** – Personnel files reviewed were up to date and generally contained all relevant documentation.
- **Induction** – Evidence was seen of an induction checklist which meets safeguarding requirements and we were informed that this is completed in respect of all new employees.

#### **Assurance Summary – Safe Recruitment - School Follow-Up**

| <i>Process Area</i>   | <i>No</i> | <i>Limited</i> | <i>Moderate</i> | <i>Substantial</i> | <i>Full</i> |
|---|-----------|----------------|-----------------|--------------------|-------------|
| Overall compliance with DfE requirements at the current audit |           |                |                 |                    |             |

## **B. GOVERNANCE**

### **B1 Ethics**

The Public Sector Internal Audit Standards (PSIAS) issued in April 2013 require Internal Audit to review the application of the Council's ethics arrangements. A review of Ethics was therefore included in the Council's 2014-15 Internal Audit Plan, with the objective to comply with PSIAS 2110.A1:

*"The internal audit activity must evaluate the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities."*

The approach was to review the Annual Governance Statement for 2013-14 and ethics-related documentation to establish whether policies and procedures are being complied with in practice at Cambridgeshire. In addition, we sent a short questionnaire to a sample of twenty-five employees who had commenced employment with CCC between April and November 2013 to gather further feedback on working practices in relation to ethics. Eight replied – a 32% response rate.

Based on the completion of our fieldwork, **substantial** assurance was assigned over the controls in place for ethics arrangements at CCC. Five key areas of ethical governance were examined as part of this review, and full assurance was assigned over two of these areas:

- **Code of Ethics: Substantial** assurance over the documents that comprise a Code of Ethics at CCC, and confirm that there is a sound ethical framework in place at the Council.
- **Culture and Consistency: Full** assurance. From our questionnaire 100% of respondents agreed that senior management takes compliance seriously and "walks the talk" as regards the promotion of ethical behaviour across the Council. The authority's leadership set a tone for the organisation by creating a climate of openness, support and respect (drawn from the Code of Corporate Governance). There is zero tolerance of fraudulent behavior as stated in the Anti-Fraud Policy, and the Whistleblowing Policy and Grievance Procedure give employees the opportunity to report instances of unethical or fraudulent behavior.
- **Awareness: Substantial** assurance over awareness of the ethical framework. 100% of our questionnaire respondents had received a corporate and local induction. New employees receive a copy of the Code of Conduct, and the questionnaire sent to new employees confirmed that 88% of those responding were aware of it. All Members are trained in the Members Code of Conduct on induction and sign to say that they will comply with it. It is recommended that employees should be reminded to familiarise themselves with the Code of Conduct every year and reiterate that this Code governs their conduct in relation to their employment.

88% of those employees responding to the questionnaire said they knew what action to take if they became aware of unethical or fraudulent activity. The Whistleblowing Policy is available on the intranet.

- **Structure and Accountability: Full** assurance. A compliance structure has been established, with accountability assigned to designated officers (HR Professional Services Manager, Monitoring Officer, and Head of Internal Audit). A quarterly workforce report which includes the results of any disciplinary action is sent to the Senior Management Team and a local version goes to Service Management Teams. Internal Audit report to the Audit Committee on fraud in the quarterly and annual reports.
- **Automation: Substantial** assurance over process automation. Specific contact details are in place to which employees or outsiders can report suspected noncompliance events through the Whistleblowing Policy. However, unlike Northamptonshire, Cambridgeshire lacks a dedicated hotline managed by an external provider that enables concerns to be reported independent to the Council.

The Whistleblowing policy requires that notification is made to the Monitoring Officer of whistleblowing instances by means of case-tracking forms. A reminder should be sent to managers and contact officers named in the policy to return these forms.

### **Assurance Summary - Ethics**

| <i>Process Area</i>          | <i>No</i> | <i>Limited</i> | <i>Moderate</i> | <i>Substantial</i> | <i>Full</i> |
|------------------------------|-----------|----------------|-----------------|--------------------|-------------|
| Code of Ethics               |           |                |                 |                    |             |
| Culture and Consistency      |           |                |                 |                    |             |
| Awareness                    |           |                |                 |                    |             |
| Structure and Accountability |           |                |                 |                    |             |
| Process Automation           |           |                |                 |                    |             |
| Overall                      |           |                |                 |                    |             |

## **C. LGSS - FINANCE**

### **C1 Budgetary Control**

Based on the completion of our fieldwork, **Substantial Assurance** is assigned over the reporting and governance processes in place at a corporate and service level to monitor financial performance within the Council. A summary of the findings and conclusions drawn from the work performed during this review is provided below.

Financial Regulations are in place which clearly defines the roles and responsibilities of key officers. The main tools which are used to monitor and control financial performance are the service level Finance and Performance Reports (FPRs) and the corporate level Integrated Resource and Performance Report (IRPR). These are produced monthly and are circulated both to Committee Members and the Strategic Management Team (SMT) where they can provide challenge when required. The process for producing and populating the FPRs is clearly understood and allows for these to be produced reliably, on time and with agreement between FPRs, IRPRs and the figures held on the financial systems.

While appropriate finance training was found to be offered, both in the form of introductory seminars following the last election and Finance led Member seminars in August, September and October 2014, the take up of the available training was low. Sixteen Members attended the seminars on budget planning and twelve the seminar covering budget monitoring.

The mechanism for informing senior management of significant variances was found to be good. The monthly IRPR which contains details of all variances above a materiality limit are discussed during SMT meetings. This report is then provided and discussed at the General Purposes Committee meetings.

It was found that the finance and performance reports are standing agenda items on the service management team meetings in all Services except Corporate Services & Transformation. It was identified that there is discussion on a monthly basis between the Group Accountant and the Director of CS&T that includes reviewing and challenging the FPR.

Risk registers are maintained at both the corporate and service levels. All of these apart from the CFA register explicitly include failure to meet the current Business Plan with budgetary control as a mitigating action. CFA do however include "Inability to maintain traded services models" with appropriate budget monitoring systems and procedures at as a control.



**Assurance Summary**

| <i>Risk Area</i>   | <i>No</i> | <i>Limited</i> | <i>Moderate</i> | <i>Substantial</i> | <i>Full</i> |
|--|-----------|----------------|-----------------|--------------------|-------------|
| Appropriate governance arrangements are in place to control and monitor financial performance                          |           |                |                 |                    |             |
| Management information is of sufficient depth and quality to allow effective monitoring of performance against budgets |           |                |                 |                    |             |
| Effective processes are in place to challenge budgetary performance  |           |                |                 |                    |             |
| Appropriate risk management systems are in place in relation to budgetary performance                                  |           |                |                 |                    |             |
| Overall  |           |                |                 |                    |             |

