

**INTERNAL AUDIT PROGRESS REPORT**

To: **Audit & Accounts Committee**

Date: **24<sup>th</sup> January 2017**

From: **Duncan Wilkinson, LGSS Chief Internal Auditor**

Purpose: **To report on the main areas of audit coverage for the period 1<sup>st</sup> November 2016 to 31<sup>st</sup> December 2016 and the key control issues arising.**

Background: (i) **The role of Internal Audit is to provide the Audit Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.**

**(ii) The Committee is requested to consider the contents of this report.**

<b><i>Officer contact:</i></b>	
Name:	Duncan Wilkinson
Post:	LGSS Head of Internal Audit
Email:	<a href="mailto:Duncan.Wilkinson@Milton-Keynes.gov.uk">Duncan.Wilkinson@Milton-Keynes.gov.uk</a>
Tel:	01908 252089

# **LGSS Internal Audit & Risk Management**

## **Cambridgeshire County Council**

*Quarterly update report*

**Q3**

*As at 31<sup>st</sup> December 2016*

## Section 1

# 1. FINALISED ASSIGNMENTS

- 1.1 Since the previous Progress Report to Audit & Accounts Committee in November 2016, the following audit assignments have reached completion as set out below in table 1:

**Table 1: Finalised Assignments**

No.	Directorate	Assignment	Compliance Assurance	Systems Assurance	Organisational impact
1.	Cross-cutting (CCC-wide)	Financial Regulations	N/A	Good	Minor
2.	Cross-cutting (CCC-wide)	Code of Conduct and Behaviour Policies	N/A	Good	Minor
3.	Children, Families & Adults	Victoria Road Residential Unit	Moderate	Moderate	Minor
4.	Children, Families & Adults	Hawthorns Residential Unit	Limited	Limited	Minor
5.	Cross-cutting (CCC-wide)	Enforcement Policy	N/A	Good	Minor
6.	Children, Families & Adults	Troubled Families Grant Process Review	Consultancy review completed and actions agreed with management.		
7.	Economy, Transport & Environment	Ely Archives Project Review	Review completed for Audit and Accounts Committee.		
8.	Economy, Transport & Environment	Cycle City Grant	Grant certification provided.		
9.	Cross-Cutting	Procurement, Contracts and Purchasing	Embedded work to support the review of procurement, contracts and purchasing.		
10.	Cross-Cutting	Partnerships Framework	Advice and support to the development of a new Partnerships Framework.		
11.	Somersham	Schools Financial	Moderate assurance (up from Limited		

	School	Risks	assurance at the previous review)
12.	St Helen's School	Schools Financial Risks	Good assurance
13.	Stukeley Meadows School	Schools Financial Risks	Limited assurance (no change from the previous review)
14.	St Johns School	Schools Financial Risks	No assurance
15.	St Phillips School	Schools Financial Risks	Limited assurance
16.	Haslingfield School	Schools Financial Risks	Limited assurance

- 1.2 Summaries of the finalised reports with moderate or less assurance are provided in Section 6. This excludes individual schools audits, which are reported collectively once all reviews have been finalised.
- 1.3 The following audit assignments have reached draft/interim report stage, as set out below in table 2:

**Table 2: Draft/Interim Reports**

No.	Directorate	Assignment
1.	Cross-Cutting (CCC-wide)	Travel and Subsistence compliance
2.	Cross-Cutting (CCC-wide)	Debt Recovery
3.	Customer Service & Transformation	Business Continuity Policy
4.	Cross-Cutting (CCC-wide)	Grants to Voluntary Organisations compliance
5.	Cross-Cutting (CCC-wide)	Use of Government Purchase Cards compliance
6.	Children, Families & Adults	Client Contributions
7.	Cross-Cutting (CCC-wide)	VAT compliance
8.	Economy, Transport & Environment	Total Transport Pilot
9.	Cross-Cutting (CCC-wide)	Procurement Compliance
10.	Cross-Cutting (CCC-wide)	Key Performance Indicators
11.	Children, Families & Adults	Community-Based Appointeeships

- 1.4 Further information on work planned and in progress may be found in the Audit Plan, attached as Appendix A.

## Section 2

# 2. FRAUD AND CORRUPTION UPDATE

## 2.1 CURRENT INTERNAL AUDIT INVESTIGATIONS:

A summary of the current investigative caseload of the Internal Audit team is provided below at table 3. This includes investigations relating to suspected theft, fraud or misuse of funds, which are led by Internal Audit. As at the end of December 2016, 33 cases had been closed by Audit.

**Table 3: Internal Audit Investigations Caseload**

Case Category	Description of activity or risk example	Cases	Outcomes
<b>Concessionary travel &amp; Blue Badges fraud</b>	Common frauds are: <ul style="list-style-type: none"> <li>• Use of counterfeit/altered passes</li> <li>• Use of a pass reported lost or stolen</li> </ul>	<b>1</b>	Advice given to pass holder
		<b>1</b>	No fraud proven
		<b>3</b>	Ongoing investigation
<b>Pensions Payments Project</b>	Project to review cases where pensions had been suspended due to no contact from the pensioner.	<b>27</b>	Closed off & reported to service manager
		<b>2</b>	New contact details and de-suspended
		<b>1</b>	Referred back no trace
<b>Theft or misappropriation</b>	<ul style="list-style-type: none"> <li>• Theft of property</li> <li>• Staff misappropriation</li> </ul>	<b>2</b>	Ongoing investigation
		<b>1</b>	Closed with recommendations
<b>Totals</b>		<b>37</b>	

## 2.2 CURRENT HR CASELOAD:

A summary of the caseload of work currently being progressed by HR, primarily relating to disciplinary matters, is provided below at table 4.

The high number of cases relating to attendance management is due to a current push to improve attendance management in social care teams, which is being supported by HR. These cases are being progressed and closed; as at our previous report to Audit & Accounts Committee in November 2016, 143 attendance

management cases were open, and this has now decreased to 89 attendance management cases at the start of January.

**Table 4: HR Caseload**

Case Category	Description of activity or risk example	Open/Ongoing Cases
<b>HR caseload</b>	Disciplinary	<b>3</b>
	Grievance	<b>6</b>
	Performance	<b>21</b>
	Whistleblowing	<b>0</b>
	Attendance management	<b>89</b>
<b>Totals</b>		<b>119</b>

Section 3

### 3 IMPLEMENTATION OF MANAGEMENT ACTIONS

- 3.1 The outstanding management actions as at the end of November 2016 are summarised in Table 5, which includes a comparison with the percentage implementation from the previous report (bracketed figures).

**Table 5: Outstanding Management Actions**

	Category 'Fundamental' recommendations		Category 'Significant' recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total
<b>Implemented</b>	25	93% (93%)	39	64% (64%)	64	73% (73%)
<b>Actions due within last 3 months, but not implemented</b>	1	4% (7%)	8	13% (28%)	9	10% (22%)
<b>Actions due over 3 months ago, but not implemented</b>	1	4% (0%)	14	23% (8%)	5	17% (5%)
<b>Totals</b>	27		61		88	

- 3.2 A summary of the outstanding recommendations, and the current progress with implementing them, is provided in a table at Appendix B.

## **4. SUMMARIES OF COMPLETED AUDITS WITH MODERATE OR LESS ASSURANCE**

### **A. CHILDREN, FAMILIES & ADULTS DIRECTORATE**

#### **A.1 Financial Risks in Schools Audits**

As part of the 2016/17 Internal Audit Plan, an audit was undertaken on Financial Risks in Schools across a sample of 15 schools which were selected as being high risk, meaning that either:

- The school had received a Limited opinion for both Counter Fraud and financial management/financial governance in their previous audit);
- The school was operating with a deficit budget;
- The school had used more than 50% of their carried-forward budget;
- The school has a high budget and low academic performance data;
- The school had a new School Business Manager; and/or
- The Schools Intervention Service had concerns about financial control.

One low risk school was also included in the sample as an exemplar school, in order to identify good practice which might be shared more widely. From this sample, the following audit outcomes were identified:

<b>Assurance Level:</b>	<b>No. Schools:</b>
Good	5
Moderate	6
Limited	4
None	1

<b>Improvement shown from previous audit (where applicable)</b>	<b>No. Schools</b>
Good (was Limited)	1
Moderate (was Limited)	5
Limited (no change)	1

This is considered to be a broadly positive outcome, given that the audit was focused on schools which were expected to be performing poorly. In particular, the level of improvement shown from the previous audits for the seven schools revisited is encouraging, as most schools demonstrated a clear improvement despite the fact that in some cases less than six months had elapsed from receiving the finalised report from the previous audit, to being reviewed again.

Common themes from schools receiving lower assurance levels were:



- Poor separation of duties around purchasing, including a lack of evidence of pre-payment checks and authorisation, or goods receipting,
- Failure to raise orders and record committed expenditure for goods/services requested by the school;
- Some cases of non-compliance with CCC Contract Regulations for Schools, in particular failing to obtain multiple quotes for purchases;
- Lack of evidence of headteacher checking and sign-off Payroll reports;
- Lack of required insurance checks over contractors and personal car use;
- Lack of local Scheme of Financial Delegation which has been approved by Governors and sets out financial responsibilities across the school;
- Insufficient evidence of Governor review of key information such as the annual budget, financial reports, and long-term financial planning.

Completed action plans to address the issues raised have been received from all except five schools. In two cases this was due to the changeover process caused by the schools federating, and the Executive Headteacher has confirmed that an action plan covering both schools will be submitted to Internal Audit on 18<sup>th</sup> January. In the other three cases this has been due to changeover of Headteachers and/or School Business Managers and Audit continues to chase for action plans.

Following the audit, a letter is now being prepared to be sent to all Cambridgeshire schools highlighting the key findings of the audit and best practice to address these issues. The Internal Audit team is also developing a self-review toolkit which will be shared to allow schools to assess their financial controls and identify where improvements need to be made.

The Schools Intervention Service have been copied in to all reports issued and a letter of significant concern is being drafted to the school which received no assurance.

## **A.2 Hawthorns Residential Unit**

The 2016/17 Internal Audit Plan included an allowance of time for unannounced visits to Council services. Following the suspension of the Hawthorns residential unit, the Director of Children's Social Care requested this time be used for a review of financial processes and transactions at both of Cambridgeshire County Council's residential units for Looked After Children.

In 2012 a previous audit reviewed financial management at the Hawthorns Unit, and as part of this report it was agreed that a set of formal written financial procedures would be developed and implemented for all of the Council's residential units.

However, although these were developed at least to draft stage, as Internal Audit reviewed the proposed procedures, it appears that these were not embedded at the Hawthorns Unit in practice.

Limited assurance was awarded for both the financial control environment and compliance with the control environment at the Hawthorns Unit. A number of financial records were missing from the records collected from the unit following its suspension, and due to this and the overall quality of record-keeping, the audit was unable to provide assurance that overtime and relief hours payments made to staff were valid, correct and authorised. Financial management was weak and the unit's Business Support Officer had been authorising mileage payments and timesheets, rather than the unit manager.

The use of cash payments and purchase card expenditure was high at the unit and a significant proportion of these transactions lacked receipts. There was a lack of manager authorisation of individual transactions made via petty cash. Overall non-staffing and agency staff expenditure at the unit was high when compared to the Victoria Road Unit, and in particular high expenditure on taxi journeys and failure to follow contract procedure rules in relation to this expenditure was noted.

In response to these findings, management have agreed that a draft financial procedure for residential units will be created and shared with Internal Audit for comments. The final policy will be agreed by the end of January 2017 and will be distributed to all residential unit employees. It will cover all key points raised by this review and the review into the second Residential Unit; Victoria Road. The Hawthorns Unit currently remains suspended, meaning that the Victoria Road Unit is the only unit currently in operation (see below).

### **A.3 Victoria Road Residential Unit**

Moderate assurance was given over the controls in place for financial management at the Victoria Road unit, and moderate assurance over compliance with those controls. It appeared that the unit had previously had a number of appropriate financial controls in place, but that these were not written down and therefore placed reliance on the unit's Business Support Administrator. After this member of staff left the unit in spring 2016, some key financial management processes that had been in operation did break down. This included few or no purchases via the unit's petty cash account being reviewed or approved by a manager between March and May 2016; incorrect petty cash approval slips being used for several months, which provided an inadequate audit trail; and a breakdown in the reconciliation of purchase card expenditure to receipts. There were also areas for improvement in

relation to the unit's procedure for issuing pocket money to young people, use of the petty cash account and reclamation of VAT.

The new financial procedures for residential units (see above) will cover all key points raised by this review, and it was noted that by the time of the audit visit, a number of the processes which had broken down following the departure of the previous Business Support Administrator were already in the process of being reinstated.

## **5. OTHER AUDIT ACTIVITY**

In addition to completing ongoing audit reviews, the Internal Audit team is conducting work in the following areas:

### **5.1 PUBLIC SECTOR INTERNAL AUDIT STANDARDS EXTERNAL REVIEW**

The Cambridgeshire office of LGSS Internal Audit underwent an external review of compliance with Public Sector Internal Audit Standards in December 2016. This included a review of a number of audits undertaken over the current and previous financial year; interviews with relevant officers including all members of the Internal Audit team along with the Council's Chief Finance Officer, Monitoring Officer and Chief Executive; and consideration of Internal Audit policies and procedures.

This review identified no areas of non-compliance that would affect the overall scope or operation of the Internal Audit activity, which is an extremely positive result. Some areas for improvement were identified, including a revision of the current Terms of Reference template used by Internal Audit. A draft action plan to address these areas for improvement has been drawn up and will be implemented before a follow-up assessment is conducted in 2016/17.

### **5.2 TROUBLED FAMILIES PROCESS REVIEW**

Internal Audit conduct review and certification of claims made by the Council under the government's Troubled Families Grant. It was noted that the Council was falling behind target for 2016/17 in identifying and processing families eligible for this grant, and Internal Audit engaged with the Service Director over these concerns. It was agreed that Audit would conduct a review of the processes by which families are identified and claimed, including benchmarking current practice at Cambridgeshire against processes in place at other Councils.

This review has now been completed and a number of suggestions and recommendations have been made. Internal Audit will continue to work closely with the service to review this grant and monitor the progress being made with the claim.

### **5.3 ELY ARCHIVES REVIEW**

A review of the Ely Archives project has been conducted by the Internal Audit service following the request of the Audit and Accounts Committee at their

November meeting. The findings of this review will be reported separately to the January meeting of the Audit and Accounts Committee.

#### 5.4 INTERNAL AUDIT PLAN

In the last quarter, the Internal Audit Plan has been re-assessed in line with current risks facing the organisation and updated accordingly, as part of the ongoing re-evaluation of the coverage required to give stakeholders an appropriate level of assurance; and to ensure resources are prioritised to the areas of highest risk.

- **Public Health Joint Intelligence Unit** – This project has now been cancelled so the audit is no longer required.
- **Commissioning** – This audit was aimed to focus on a review of the Council's commissioning processes; however this is now being undertaken in depth by a project within CFA. Instead, as part of the audit planning for 2017/18 it has been suggested that Internal Audit conduct a review of the new Commissioning Board within CFA.
- **Other Risk Based Audits** – Contingency budget now allocated (see below).
- **Property Portfolio Development Programme** – additional days added due to extra work on the Looked After Children housing project.
- **Total Transport Pilot** – additional days added due to work requested on review of methodology.
- **FOI requests** – time budget allocated due to a number of requests received in-year which were not previously budgeted for.
- **Blue Badges** – time budget allocated due to request from Committee for work which had not previously been budgeted for.
- **Troubled Families Grant** – additional work requested on process review.
- **Annual Governance Statement** – additional budget required to conduct expanded review under new CIPFA/Solace guidance.

## **6. ACTIONS FROM THE AUDIT ON MISSED, SHORT & LATE CALLS IN DOMICILIARY CARE**

- 6.1 The Audit and Accounts Committee requested an update on the implementation of actions from the Domiciliary Care audit issued in May 2016. This reviewed arrangements for controlling and monitoring missed, short and late calls, with a focus on missed calls by care providers, as these pose the highest risk to the safety of individual service users and to the Council both financially and reputationally.
- 6.2 It was agreed that a centralised system for monitoring missed calls by domiciliary care providers would be introduced, which would take into account information reported by service providers but also complaints made by service users and information from monitoring visits, to give the Council a greater ability to effectively monitor providers. The service has worked with the information management team to identify a report which will compile information on missed and late calls that have been self-reported by providers and logged on the AIS system. From January, this will be reviewed centrally by the contracts team and compared to the information on the Soft Concerns Record (which records service user complaints) and information from any monitoring visits or spot checks carried out on contractors.
- 6.3 The audit identified several recommendations around changing the format of the Soft Concerns Record and providing guidance to staff on its use, to ensure it can be used more effectively as part of the centralised monitoring of missed calls. These recommendations have not yet been implemented, as the officer who was leading on the Soft Concerns Record has left the authority; responsibility for these actions has now been re-delegated and Audit are awaiting a revised timescale for these changes.
- 6.4 It was also agreed that officers would use the implementation of the new MOSAIC social care system to explore the possibility of reintroducing a link between providers submitting timesheet information and receiving payment. From November 2017, all providers will be required to use electronic call monitoring systems which track the arrival time and duration of all domiciliary care calls. Information gathered from this will be recorded on the MOSAIC system and form the basis for financial clawbacks and monitoring. Implementation of this system will significantly improve the Council's ability to monitor the performance of social care contractors and any issues with missed domiciliary care call.
- 6.5 It was agreed that service users would benefit from greater support and encouragement to report issues to the Council, which would improve internal

monitoring of issues with missed, short and late calls. Service users have now been issued with revised guidance to explain how to report persistent issues such as missed, short and late calls.

APPENDIX A

## CCC INTERNAL AUDIT PLAN 2016/17

Audit Title <i>as per APACE</i>	Status (drop-down)	Directorate (drop-down)	Qtr Opened	Qtr Closed	Plan Days
<b>TRANSFORMATION PROGRAMME</b>					
Following the Money Strategy	Open	Cross-Cutting	Q3		20
Transformation Programme	Ongoing	Cross-Cutting	Q2		10
Corporate Capacity Review	Ongoing	Cross-Cutting	Q2		10
Procurement, Contracts & Purchasing (V4)	Closed	Cross-Cutting	Q1	Q3	20
QA Task & Resource Mapping	Closed	Cross-Cutting	Q2	Q2	5
Corporate Policy Statements	Open	Cross-Cutting	Q3		20
Partnerships Framework	Closed	Cross-Cutting	Q2	Q3	5
Transformation Programme - Benefits Realisation	Open	Cross-Cutting	Q3		15
Business Planning Compliance	Open	Cross-Cutting	Q3		15
<b>MAKING EVERY PENNY COUNT</b>					
Client Contributions	Open	CFA	Q1		20
Traded Services - Cost Recovery	Open	Cross-Cutting	Q2		20
VAT - Compliance	Open	Cross-Cutting	Q1		20
Review of Procurement - Compliance	Open	Cross-Cutting	Q2		10
Overtime - Compliance	Closed	Cross-Cutting	Q1	Q2	20
Travel & Subsistence - Compliance	Open	Cross-Cutting	Q2		20
<b>KEY FINANCIAL SYSTEMS</b>					
Accounts Receivable	Open	Cross-Cutting	Q4		15
Purchase to Pay	Open	Cross-Cutting	Q4		20
Payroll	Open	Cross-Cutting	Q4		25
General Ledger	Open	Cross-Cutting	Q4		10
Bank Reconciliation	Open	Cross-Cutting	Q4		5
Treasury Management	Open	Cross-Cutting	Q4		5
Financial Systems IT General Controls	Open	Cross-Cutting	Q4		10
Risk Management	Not Started	Cross-Cutting	Q3		5
Procurement Governance	Open	Cross-Cutting	Q2		20
Debt Recovery	Open	Cross-Cutting	Q1		20



GRANT VERIFICATION					
Local Transport Capital Block Funding	Closed	ETE	Q2	Q2	5
Local Sustainable Transport Fund	Closed	ETE	Q1	Q2	5
Cycle City Phase II	Closed	ETE	Q2	Q3	5
Public Health Grant	Closed	PH	Q2	Q2	5
Troubled Families Grant	Ongoing	CFA	Q1		30
Disabled Facilities Grant	Closed	CFA	Q2	Q2	2
Bus Services Operators Grant	Closed	ETE	Q2	Q2	5
Arts Grant	Closed	ETE	Q1	Q2	5
Local Growth Fund Grant	Closed	ETE	Q2	Q2	5
COMMISSIONING & CONTRACTS					
Schools Capital Programme	Open	CFA	Q3		20
Skanska Highways	Ongoing	ETE	Q1		20
Highways Contract Transformation	Ongoing	ETE	Q1		25
Waste PFI Contract	Ongoing	ETE	Q2		25
Street Lighting PFI	Open	ETE	Q1		15
Off-Contract Spend	Open	Cross-Cutting	Q2		15
Commissioning	Cancelled	Cross-Cutting	Q3		3
Contract Management	Open	Cross-Cutting	Q3		15
RISK-BASED AUDITS					
Section 106	Open	ETE	Q1		20
Total Transport Pilot	Open	ETE	Q1		24
Replacement of AIS System	Closed	CFA	Q1	Q3	20
Commitment Records in CFA	Closed	CFA	Q1	Q3	20
Public Health Joint Intelligence Unit	Cancelled	PH	Q1	N/A	5
Quality Assurance	Closed	CFA	Q1	Q3	15
Appointeeships	Open	CFA	Q1		20
Blue Badges	Closed	CST	Q1	Q1	4
Residential Care Homes Project	Ongoing	CFA	Q1		10
Property Portfolio Development Project	Ongoing	Cross-Cutting	Q1		15
POLICIES & PROCEDURES					
Financial Regulations	Closed	Cross-Cutting	Q3	Q3	5
Contract Procedure Rules	Open	Cross-Cutting	Q2		5
Business Continuity Policy	Open	Cross-Cutting	Q3		5
Scheme of Delegation	Closed	Cross-Cutting	Q2	Q2	5
Information Governance Policies	Open	Cross-Cutting	Q3		10

Code of Conduct and Behaviour Policies	Closed	Cross-Cutting	Q2	Q3	5
Risk Management Policy	Not Started	Cross-Cutting	Q3		5
Enforcement Policy	Closed	Cross-Cutting	Q2	Q3	5
<b>COMPLIANCE</b>					
Direct Payments - Compliance	Open	CFA	Q4		15
Duplicate Payments - Compliance Follow-Up	Open	Cross-Cutting	Q3		5
Fees and Charges Compliance	Closed	Cross-Cutting	Q2	Q3	10
Grants to Voluntary Organisations - Compliance	Open	Cross-Cutting	Q2		15
Agency Staff - Compliance	Closed	Cross-Cutting	Q2	Q3	15
Unannounced Visits - Compliance	Closed	Cross-Cutting	Q2	Q3	20
Key Performance Indicators - Compliance	Open	Cross-Cutting	Q1		15
Scheme of Delegation - Compliance	Closed	Cross-Cutting	Q2	Q3	15
Use of GPC - Compliance	Open	Cross-Cutting	Q2		15
Contract Extensions - Compliance	Open	Cross-Cutting	Q3		15
EU Procurement Regulations - Compliance	Open	Cross-Cutting	Q2		20
<b>ICT AND INFORMATION GOVERNANCE</b>					
Information Security	Open	CST	Q3		15
Records Management - ICO	Closed	CST	Q1	Q1	5
Agresso ERP	Not Started	Cross-Cutting	Q4		10
General Computer Controls	Not Started	Cross-Cutting	Q4		20
<b>SCHOOLS</b>					
Schools Financial Risks	Closed	CFA	Q1	Q3	30
Safe Recruitment	Closed	CFA	Q1	Q3	30
Schools (Other)	Closed	CFA	N/A	N/A	60
Schools Advice & Training Sessions	Closed	CFA	N/A	N/A	5
<b>ANTI-FRAUD AND CORRUPTION</b>					
Preventative & Pro-Active Fraud Work	Ongoing	Cross-Cutting	N/A		10
National Fraud Initiative	Open	Cross-Cutting	Q2		30
St Luke's Working Party	Open	CFA	Q1		10
Fraud Investigations	Ongoing	Cross-Cutting	Q1		125
<b>GOVERNANCE, RISK MANAGEMENT &amp; OTHER</b>					
Annual Governance Statement/CoCG	Open	Cross-Cutting	Q1	Q1	19
Assurance Framework	Closed	Cross-Cutting	Q1	Q1	10
Risk Management	Ongoing	Cross-Cutting	N/A	N/A	75

FOI requests	Ongoing	Cross-Cutting	N/A	N/A	3
Advice & Guidance	Ongoing	Cross-Cutting	N/A	N/A	50
Follow-Ups of Agreed Actions	Ongoing	Cross-Cutting	N/A	N/A	40
Committee Reporting	Ongoing	Cross-Cutting	N/A	N/A	25
Management Reporting	Ongoing	Cross-Cutting	N/A	N/A	25
Audit Plan	Ongoing	Cross-Cutting	N/A	N/A	25
<b>Operational Plan Total - 2016/17</b>					<b>1550</b>

APPENDIX B

## Summary of Outstanding Recommendations

Audit	Risk level	Summary of Recommendation	Target Date	Status
<b>Central Library Enterprise Centre Review</b>	M	<b>Options Appraisal, Market Research &amp; Procurement:</b> Development of guidance relating to options appraisals and market research as part of a review of project management methodology.	1/2/16	Development of new project management guidance has been delayed due to the Corporate Capacity Review which incorporates a complete review of current project management resource and structures. Implementation of these actions is being taken forward as part of this review and work on the new Project Management and Gateway Review processes is now underway within the new Transformation Team.  A follow-up report is scheduled to be brought to Audit & Accounts Committee in January 2017.
	M	<b>Engagement with Members:</b> Updated guidance to be included in the review of project management methodology around member oversight and engagement with the development of major projects; providing sufficient information on proposed partner organisations; and keeping local Members informed about matters affecting their divisions.	1/2/16	
	M	<b>Public Consultation:</b> Updated guidance to be included in the review of project management methodology around planning for public consultation and gaining appropriate input from Members.	1/2/16	
	M	<b>Business Cases:</b> Updated guidance to be included in the review of project management methodology around producing robust individual business cases for all projects.	1/2/16	
<b>Direct Payments</b>	M	<b>Direct Payment Monitoring:</b> The requirement to produce monitoring information will be clarified for service users as part of the revision of the Direct Payments Agreement and the DPMOs team will introduce different levels of monitoring for Direct Payments, based on an assessment of service user risk.	30/9/16	The service has revised the Direct Payments Agreement and requirements for monitoring information, but upon review by Internal Audit it was felt that these did not fully address all aspects of the audit recommendations. Feedback has been provided and the documents have been

				revised but the service are awaiting advice regarding data protection requirements prior to re-issuing the revised documents. <b>Awaiting revised date.</b>
	M	<b>Line Management Arrangements for DPMOs:</b> The line management arrangements for the DPMO's will be refreshed, so that they report directly in to the Practitioner Consultant for Direct Payments and are given greater authority to challenge.	30/9/16	This has been delayed due to the current vacancy of the Practitioner Consultant post, which is being recruited to. It is therefore anticipated that the service will not be in a position to fully implement this action until the end of March 2017.
	M	<b>Direct Payments Monitoring Officers Team Procedures:</b> A full set of procedures will be developed and agreed for the Direct Payments Monitoring Officers.	30/9/16	The service has reported that actions with regards to developing new team procedures etc. have also been delayed until these new line management arrangements are in place.
	M	<b>Support Planning:</b> As part of the new procedures, DPMOs will review Support Plans when new payments are set up and an escalation procedure for poor support planning will be set up.	30/9/16	<b>Due date: 31/3/2017.</b>
<b>Payment Methods</b>	H	<b>Understanding the costs of transactions:</b> The cost to the Council of processing transactions via cash; cheque; invoice; credit/debit card; and online payment will be calculated.	31/7/16	The implementation of these actions has been delayed due to the impact of the Corporate Capacity Review. This has resulted in responsibility for implementing these actions shifting between teams, due to staff turnover and staffing structure changes.
	H	<b>Raise awareness of the cost of transactions:</b> The costs to the Council of processing transactions via the various types of payment methods will be made available on CamWeb and publicised to staff.	30/9/16	
	M	<b>Digital Payment by default:</b> A Business Case will be taken to SMT outlining the case for the Council to take the approach that digital payment should be the default option.	30/9/16	As part of the Citizen First, Digital First programme work is being undertaken to establish transaction costs using methodology set out by the Government

	M	<b>Payment processing costs:</b> Once transaction costs are known, consideration will be given to a review of which traded services are charged payment processing costs.	30/9/16	Digital Service and a dashboard displaying these key measures will be developed and shared with staff on CamWeb. A paper setting out this approach will be taken to SMT to confirm this programme of work for 2017/18 and the principle of digital payment by default. <b>Due date: 31/01/17</b>
<b>Domiciliary Care</b>	H	<b>Centralised System for Monitoring Missed Calls</b> Regular centralised monitoring of missed calls on AFM should be introduced, to identify any patterns. This should include cross-referencing to the SCR.	30/9/16	This system will be introduced in January 2017. <b>Due date: 31/01/17</b>
	M	<b>Use of the Single Central Record</b> The SCR should be used to log complaints from all service users, including self-funders. An SCR category for missed/short/late calls should be introduced.	30/9/16	The member of staff responsible has now left the authority; responsibility has now been re-allocated. <b>Awaiting revised date.</b>
<b>Replacement of AIS system (MOSAIC Implementation project)</b>	M	<b>Project Planning</b> Complete the final versions of the Business Case, Project Initiation Document and Terms of Reference for the Project Board, and have these signed off by the Project Board. Include the roles and responsibilities of key officers or groups, including the Project Manager, Project Team and Project Board; and a detailed and up-to-date project plan with owners and timescales for each action and a plan for how progress against this plan will be measured.	30/11/16	This documentation has now been completed and provided to Audit, however the project plan remains high-level and it is not clear how this will incorporate detailed project requirements and workstream planning. Internal Audit to meet with project leads w/c 9 <sup>th</sup> January to discuss and identify any improvements/changes which may be needed. <b>Awaiting revised date.</b>
<b>Vulnerable Clients' Monies Management (Deputyships)</b>	M	<b>Written Procedures:</b> A complete set of written procedures will be drawn up for Deputyships Officers.	1/7/16	Senior Management are currently in the process of developing an action plan which will ensure that all outstanding actions relating to this review are addressed, and
	M	<b>Receipts, financial records, fraud risk:</b>	1/7/16	

		A procedure will be developed by the team for the review of receipts and financial records.		Internal Audit will complete a follow-up audit in the 2017/18 financial year to verify that all the risks have been addressed. <b>Due Date: 31/3/2017</b>
M		<b>Tax Returns &amp; Capital Gains Tax:</b> Guidance will be created for Deputyships Officers on the instances when they need to consider whether a service user may owe tax, and a review will be undertaken of all clients to identify those who need to submit annual tax returns.	1/7/16	
M		<b>Inventories and House Clearances:</b> An inventories and house clearance procedure will be developed and the team will undertake a competitive procurement exercise for the contract for house clearances.	1/7/16/	
M		<b>Investment of Assets:</b> /A review of client savings accounts will be undertaken to establish the current savings values for clients and the level at which investment in high-interest accounts will be considered. The team will establish options for /investment of high-value client assets and develop a procedure for financial planning.	1/7/16	
M		<b>Liaison and Interface with Social Care:</b> Review and update the <i>Court of Protection Deputyship: General Principles and Operating Procedures</i> guide in conjunction with representatives from Social Care and re-issue.	1/7/16	
M		<b>Updating Guidance Documents:</b> A comprehensive review and update of the guidance relating to Deputyships; Appointeeships; and Handling Clients' Finances.	1/7/16	
M		<b>Distribution of Guidance and Training:</b>	1/7/16	

		Guidance documents will be updated as per the above and distributed to social care staff, promoted and shared more widely with relevant partners. The current Mental Capacity Act Training will be updated.		
--	--	---	--	--