

RSM! Tenon



Slough Borough Council

Internal Audit Progress Report
Audit Committee Meeting: 24 September 2012

Introduction

The internal audit plan for 2012/13 was approved by the Audit Committee on the 5th March 2012. This report provides an update on progress against that plan and summarises the results of our work to date.

Since the last Audit Committee held in June 2012 the following audit reports, relating to both the 2011/12 and 2012/13 plans have been finalised:

2011/12 Internal Audit Plan

- CRC Energy Efficiency Scheme (3./11/12)
- Property and Asset Management (9.11/12)
- Partnership Working (11.11/12)
- Risk Management (14.11/12)

2012/13 Internal Audit Plan

- Performance Management (1.12/13)
- Employee Declaration of Interests (2.12/13)
- Registered Bed Based Services (5.12/13)
- Multiple Housing Occupation (7.12/13)
- Thames Valley – Governance Arrangements (12.12/13)
- Care Home Fee Increase Project – Project Management Arrangements (15.12/13)
- Hire of Council Buildings (16.12/13)
- Leisure Services (17.12/13)
- Rent Accounts (21.12/13)

A summary of the key issues contained within these report and the high priority recommendations made is detailed in the report below.

Summary of Progress against the Internal Audit Plan

2011/12 Audit Plan

Assignment <i>Reports considered today are shown in italics</i>	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Procurement (1.11/12)	FINAL	AMBER GREEN	0	2	2
St Joseph's School – special investigation (2.11/12)	FINAL	RED	4	10	1
<i>CRC Energy Efficiency Scheme (3.11/12)</i>	<i>FINAL</i>	<i>ADVISORY</i>	7	4	3
Purchase Cards (4.11/12)	Draft Report Issued 23 March 2012 – awaiting management comments				
Commissioning Teams and Supporting people (5.11/12)	FINAL	AMBER GREEN	1	3	2
Personalisation Policy (6.11/12)	FINAL	AMBER GREEN	1	2	4
St Anthony's Primary School (7.11/12)	Draft Report Issued 5 April 2012 – awaiting management comments				

Quality Assurance of Performance Indicators (8.11/12)	FINAL	AMBER GREEN	0	1	1
Property and Asset Management (9.11/12)	FINAL	RED	2	1	0
Concessionary fares administration (10.11/12)	FINAL	AMBER GREEN	1	1	5
Partnership Working (11.11/12)	FINAL	AMBER GREEN	0	5	0
VAT (12.11/12)	Draft Report Issued on 9 May 2012 – awaiting management comments				
Risk Maturity (14.11/12)	FINAL	ADVISORY	2	9	2

Quarter 1 & 2 2012/13 Plan

Assignment <i>Reports considered today are shown in italics</i>	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
<i>Thames Valley – Governance Arrangements (12.12/13)</i>	<i>FINAL</i>	<i>GREEN</i>	0	1	2
IT Strategy	TBC				
Budget Setting Process (13.12/13)	Draft Report Issued 18 July 2012				
Demand Management	Postponed to Q4 at the request of Director of Resources				
<i>Housing Benefits (20.12/13)</i>	<i>FINAL</i>	<i>GREEN</i>	0	0	3
<i>Employee Declaration of Interests (2.12/13)</i>	<i>FINAL</i>	<i>RED</i>	2	4	0
Cash Handling and Management (6.12/13)	Draft Report Issued 28 June 2012				
Gold Projects – Project Management Arrangements (19.12/13)	Draft Report Issued 14 Aug 2012				
<i>Rent Accounts (21.12/13)</i>	<i>FINAL</i>	<i>AMBER RED</i>	1	2	2
<i>Data Image Management (22.12/13)</i>	<i>FINAL</i>	<i>GREEN</i>	0	1	1
Housing Management Systems (23.12/13)	Draft Report Issued 24 Aug 2012				
Procurement (24.12/13)	Draft Report Issued 24 Aug 2012				
Multiple housing occupation (7.12/13)	FINAL	AMBER GREEN	0	3	1
<i>Performance Management (1.12/13)</i>	<i>FINAL</i>	<i>AMBER GREEN</i>	0	3	1
<i>Leisure Services (17.12/13)</i>	<i>FINAL</i>	<i>AMBER GREEN</i>	0	2	1
<i>Registered Bed Based Services (5.12/13)</i>	<i>FINAL</i>	<i>AMBER RED</i>	1	0	6
<i>Care Home Fee Increase Project – Project Management Arrangements (15.12/13)</i>	<i>FINAL</i>	<i>GREEN</i>	0	0	2
Council Tax (18.12/13)	Draft Report Issued 13 Aug 2012				

Schools Development Budget (3.12/13)	Draft Report Issued 6 June 2012				
<i>Hire of Council Buildings (16.12/13)</i>	<i>FINAL</i>	AMBER RED	0	4	4
Willow School (4.12/13)	Draft Report Issued 6 June 2012				
Penwood School (14.12/13)	Draft Report Issued 25 July 2012				
Bayliss Court Nursery School (11.12/13)	Draft Report Issued 11 July 2012				
Haybrook School (9.12/13)	Draft Report Issued 5 July 2012				
Western House School (8.12/13)	Draft Report Issued 2 July 2012				
Parlaunt School (10.12/13)	Draft Report Issued 5 July 2012				
Data Protection Act	Fieldwork In Progress				
Children's and Families Assessment Teams	Fieldwork In Progress				
Safeguarding	Commencing 20.09.12				
Recruitment	Commencing 19.9.12				
Contract Management	Fieldwork In Progress				
Business Rates	Fieldwork In Progress				
St Ethleberts School	Commencing 21.9.12				
Iqra School	Commencing 27.9.12				
Arbour Vale School	Commencing 14.9.12				
Block Nursing Contracts	Commencing 25.9.12				

Other Matters

Planning and Liaison:

Monthly meetings have been arranged with both the Interim Director of Finance and Housing and the Interim Head of Finance. We have also attended the most recent meeting of the Risk Management Group and provided guidance on the proposed content of the Risk Management Policy.

As our audits of Schools have identified a number of significant issues which have resulted in red assurance opinions being provided, we have agreed with the Assistant Director of Education and Children's Services to attend both the School's Forum and Bursar's Forum on a regular basis to provide an input regarding the findings of our reviews.

Internal Audit Plan 2012/13 - Change Control:

No proposed changes have been made to the Internal Audit plan.

Information and Briefings:

We have issued the following updates electronically since the last Audit Committee:

LG eUpdate June 2012

LG eUpdate July 2012

LG eUpdate August 2012

Key Findings from Internal Audit

2011/12 Internal Audit Plan

Assignment: CRC Energy Efficiency Scheme
(3.11/12)

Opinion: Advisory

Headline Findings:

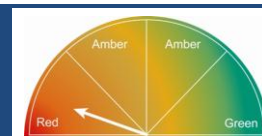
- The supply data held within the source list spreadsheet contains all the necessary information to determine the Council's CRC emissions.
- Additional commentary within the source list would provide better insight into the estimation techniques and an explanation behind some of the annual figures
- Greater clarity around the assignment of actual or estimated figures is required
- The evidence pack needs to be developed so that it meets fully the Environment Agency requirements.
- The carbon management plans show clearly how the Council will meet its 2020 target.
- The Council needs to publish its performance against target on a regular basis.

Recommendation	Management Response	Responsible Officer	Date
<p>Rec 3.1 – High</p> <p>Check gas supplies in particular for the correct recording of a core supply.</p>	<p>This has been actioned and information updated</p>	<p>Les Carter</p>	<p>ongoing</p>
<p>3.2 – High</p> <p>Add a column to the source list which identifies whether the reading is actual or estimated.</p> <p>For estimated readings evidence needs to be provided to show that it is actual or estimated and the technique used to make the estimation.</p>	<p>The current spreadsheet is to be updated with an additional column. The new source data will capture this information</p>	<p>Les Carter</p>	<p>End of June 2012</p>
<p>Rec 3.5 – High</p> <p>The reason for the inconsistency between data in the source list and the footprint and annual reports needs to be investigated so there is a clear distinction between core, residual, actual and estimated data.</p>	<p>Going forward the source data will clearly identify core, residual, actual and estimated.</p>	<p>Les Carter</p>	
<p>Rec 4.1 – High</p> <p>Use the Evidence Pack Templates provided by the Environment Agency as a framework to record where evidence is filed. We recommend that as far as possible all evidence is stored in electronic format under one folder held on a shared drive.</p>	<p>A folder titled CRC has been created on the X: Staff drive to enable all information to be collated and stored electronically.</p>	<p>Joanna Anderson, Assistant Director, Commissioning, Procurement & Shared Services</p>	<p>Completed</p>

<p>Invoices are often in hard copy only and will need to be kept in a physical file but often annual statements are sent in electronic format.</p> <p>To avoid errors when transcribing data it is better to obtain an annual statement in spreadsheet format and link them to a master spreadsheet.</p>	<p>Gas/Electric was recently retendered and electronic invoices are now received and will be stored in the folder mentioned above.</p> <p>Annual statements will be received from Zenergi and/or suppliers in spreadsheet format</p>		<p>To be completed Monthly/Quarterly</p> <p>31 March 2012</p>
<p>Rec 4.3 – High</p> <p>Show the procedure used for determining whether a supply is actual or estimated and the technique used for calculating an estimated supply in the evidence pack.</p>	<p>Comments to be added to all relevant spreadsheets/source data End of June tools</p>	<p>Les Carter</p>	<p>End of June</p>
<p>Rec 4.5 – High</p> <p>The following information should be held in the evidence pack and recorded in the evidence pack templates:</p> <ul style="list-style-type: none"> ▪ The annual and footprint reports ▪ CRC roles and responsibilities information and CRC Registration information ▪ Special events/ change records information ▪ Record as a passive supply in the evidence pack. <p>Exemptions and exclusions information</p>	<p>Management acknowledge the recommendation and will ensure the relevant information is saved in the CRC folder on the X Drive utilising evidence pack templates</p>	<p>Roger Parkin Strategic Director Customers and Communities</p>	<p>End of July 2012</p>

Assignment: Property and Asset Management (9.1/12)

Opinion: Red



Headline Findings:

Design of control framework

- The Council does not have a set of procedures in place that explains to employees:
 - How assets are identified as requiring a valuation by both the Finance Department and the Property and Asset Management Team;
 - Who is responsible for instructing the valuation providers of the selected assets;
 - How the Council is to process valuations and manage queries; and
 - The timeframes for the completion of each schedule to ensure the valuation provider is given sufficient time to meet the Council's own deadlines.
- The Property and Asset Management Team were not in possession of a report that enables those valuations that have been completed to the satisfaction of the Council to be logged and therefore

enable the Council to easily assess the level of completion of this asset valuation exercise.

Application of and compliance with control framework

We found that a number of controls identified above were not adequately complied with. We identified the following weaknesses:

- Although the Council had set out their requirements in their invite to prospective providers and WHE stated their ability to meet these within their offer, the Council do not hold a contract or agreement that is signed by both parties.
- Furthermore, the Council has not specified any penalties involved if the provider fails to adhere to the Council's requirements. For instance, a claw back facility on expenditure if the provider does not comply with the Council's deadlines.
- The Council did not have their plans to accompany each asset electronically this resulted in the Head of Asset Management manually creating the plans which takes an excessive amount of time and potentially impacts on the Council's ability to submit requests to their provider in a timely manner.

Recommendation	Management Response	Responsible Officer	Date
<p>Rec 1 – High</p> <p>The Council should have a written agreement with the company undertaking asset valuations that details expectations on Council property valuations including:</p> <ul style="list-style-type: none"> ▪ Reporting timeframes of certificates, reports and responses to queries; and ▪ Performance management clauses for failure to adhere to expectations, where the Council may wish to include the ability to claw back expenditure. <p>The agreement should be signed by both parties to ensure that there is clarity on expectations.</p>	<p>Accepted, a contract will be put in place with the assistance of the Legal Team.</p>	<p>John Rice, Interim Assistant Director, Environment & Regeneration</p> <p>Michael Condon, Head of Asset Management</p>	<p>End of June 2012</p>
<p>Rec 2a – High</p> <p>The Council should create a procedure that explains the asset and property valuation process.</p> <p>This should include:</p> <ul style="list-style-type: none"> ▪ How assets are identified as requiring a valuation by both the Finance Department and the Property and Asset Management Team; ▪ Who is responsible for instructing the valuation providers of the selected assets; ▪ How the Council is to process valuations and 	<p>A procedure will be created that provides a high level description of the parties involved and the timeframes for completion. This will be completed and encapsulated within the contract.</p>	<p>John Rice, Interim Assistant Director, Environment & Regeneration</p> <p>Michael Condon, Head of Asset Management</p>	<p>End of June 2012</p>

<p>manage queries; and</p> <ul style="list-style-type: none"> The timeframes for the completion of each schedule to ensure the valuation provider is given sufficient time to meet the Council's own deadlines. 			
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<p>Assignment: Partnership Working (11.11/12)</p>	<p>Opinion: Amber Green</p> 
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Headline Findings:

Application of and compliance with control framework

We found that a number of the controls identified above were not adequately complied with. We identified the following weaknesses:

- The Safer Slough Partnership contract and remaining supporting information should be obtained and uploaded onto the system to allow the only identified Toolkit description of a true Partnership to be more transparent. Until sufficient information is provided on Partnerships the Council do not have suitable assurances that these partnerships are being adequately managed.
- It should also be noted that the Council has only focused on the eight Partnerships originally selected by the Corporate Management Team (CMT) to date. Until this exercise has been fully completed the Council will still be unaware of the total number of partnerships in existence and poor governance arrangements in outstanding partnerships that will require remedial actions.
- Documentation relating to partnerships was not being provided to the Policy and Communications Team at the time of our review and therefore the team had to place reliance on responses provided through the questionnaire process rather than a review of the source documentation. This source documentation, included partnership agreements that were not available for three of the partnerships sampled in this review.
- A Central Risk Register had not been created. The Partnership Governance Toolkit outlines that a central risk register should be in existence. Without a central risk register the Council may not be aware of significant partnership risks, lacks assurances that risks are being continually managed on partnerships and lessons may not be learned by risk owners from risk management in similar risks to other partnerships. In addition, there was only one partnership which had a copy of the risk register uploaded on the system.

<p>Assignment: Risk Maturity (14.11/12)</p>	<p>Opinion: Advisory</p>
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Following on from the recommendations made within the 2010 Internal Audit report by Deloitte, the Council acknowledged and identified areas to improve risk management. Over the last 12 months the Council has made reasonable steps in improving its risk management arrangements and has delivered on-line risk management training and also on-going training on use of its risk management system "JCAD". The aim of this training was to ensure staff are fully aware of their risk management responsibilities and also how to consider the organisational approach for risk management.

There is a good level of support and engagement at Corporate Management Team (CMT) and a new set of strategic risks have been documented and approved and have been managed on a regular basis by CMT, with a specific focus on the management of the Gold Projects at each meeting. However, this appears to be in isolation from the management of the operational risks. Testing and review of documentation during this assignment has confirmed that very little evidence is available to substantiate that risks are reviewed and discussed at Senior Management Team (SMT) and Local Team meetings. In terms of identifying, reviewing and updating risks, the JCAD system has not been effectively used to its full potential and if it were not for the fact

that the Risk Management and Insurance Officer meets with key risk owners and updates the JCAD system, it is very unlikely it would have been updated at all.

There has been a lack of formal review of risks at the Audit Committee. The strategic and key operational risks were not a standing agenda item at any of these meetings and therefore cannot be verified as being regularly reviewed and updated in this forum.

Based on the above observations, we have concluded that the Council's risk management framework and reporting arrangements as at March 2012 correspond in the matrix diagram overleaf as overall being "Risk Defined".

It was also recognised during the course of the review and through discussions with the Interim Head of Finance that there will be further improvements made to the risk management framework and that Officers will start to use the JCAD system more effectively to capture and report on both the strategic and operational risks. However, as noted above there is currently a lack of sufficient evidence of formal risk management reporting and updating of risks, and over-reliance on the Risk Management and Insurance Officer to update JCAD, for us to conclude that the risk management system is operating effectively in practice.

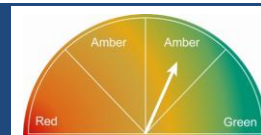
Recommendation	Management Response	Responsible Officer	Date
<p>Rec 3.1.2 – High</p> <p>The risk management policy should only contain a short statement around the Council's vision and its objectives and what an important part risk management plays in achieving these goals.</p> <p>The risk management strategy needs to become a more procedural document that clearly explains "how and why" the Council manages risk and the key processes involved. The strategy needs to consider including further development in line with best practice, for example the following elements:-</p> <ul style="list-style-type: none"> • What the objectives of the strategy are; • How these objectives will be achieved; • The need for a risk management strategy; • The benefits of having a strategy; • Roles and responsibilities; • Definitions of risk and different types of risk • Step by step guidance for identifying and managing risks • The Council's risk appetite • List possible types of assurance • Clear review and reporting schedules from entries onto the risk 	<p>This is agreed – From benchmarking across Berkshire I can see how our own policy can be improved. The current policy has already been updated to include roles and responsibilities.</p> <p>I am unsure that a generic risk appetite can be assigned to an organisation and would imagine that each risk would have it's own appetite. The current management system does not facilitate the recording of a risk appetite and therefore I do not think that it is possible to implement this part of the recommendation</p> <p>An updated Risk Management Policy and 6th November 2012</p> <p>Strategy will be presented to the Risk Management Group for approval. This update will incorporate the vast majority of this recommendation and the other recommendations contained within this</p>	<p>Phil Brown, Risk & insurance Officer</p>	<p>6th November 2012</p>

<p>registers, through to senior management, committees and the Full Council.</p> <ul style="list-style-type: none"> • Training and awareness programmes • Glossary of risk terminology • Milestones to be met in further embedding risk management 	<p>report. It is envisaged that these updates will be presented to the August meeting of the Risk Management Group.</p> <p>Clearly once the amended policy and strategy have been approved the amendments will need to be implemented</p>		
<p>Rec 3.1.3 – High</p> <p>Additional risk training should be provided on how the Council's risk management framework is managed through the use of JCAD and how to update and review risks. This will prevent the following examples from occurring:-</p> <ul style="list-style-type: none"> - Risks are not reduced where there are no controls or actions awaiting to be implemented; - Risks not being reviewed or updated 	<p>Additional training will be developed to cover this training via an online training and presentation to each SMT</p>	<p>Phil Brown, Risk & insurance Officer</p>	<p>End of November 2012</p>

2012/13 Internal Audit Plan

Assignment: Performance Management (01.12/13)

Opinion: Amber
Green



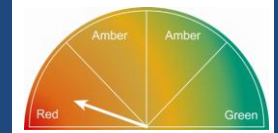
Design of control framework

- The current Council's Performance Reporting format does not enable reasoning for poor performance to be explained, highlighting specific instances that caused low performance.
- The reporting format does not capture action plans that are put in place to deliver improvements in performance. However, we noted a pilot had been introduced in the Professional Services department that enabled actions to address underperformance to be captured within reports.

Application of and compliance with control framework

We found that a number of controls identified above were not adequately complied with. We identified the following weaknesses which resulted in two medium category recommendations:

- The performance reports were not always discussed in the correct chronological order as it was occasionally discussed in the CMT and Overview and Scrutiny Committee meeting before being discussed at the respective SMT meeting. Therefore further Senior Management resources may have been utilised in instances where matters of poor performance could have been resolved at SMT, without the need for escalation. Where matters are escalated an explanation could have been provided as to what SMT intended to undertake to improve performance.
- We found that performance indicators rated red did not always receive adequate scrutiny and challenge at management meetings and action plans were not always discussed or put in place to ensure improvement in the performance of the indicator.



Introduction:

An audit of Declaration of Interests was undertaken as part of the approved internal audit periodic plan for 2012/13. Senior management had become concerned about weaknesses in systems and practice and were planning measures to tackle those weaknesses. The audit formed a baseline for moving forward and tackling the perceived weaknesses comprehensively.

Within the Council's Constitution it states that all employees are required to declare any outside interests and other work they hold outside the Council whether paid or unpaid. When employees join the Council they are required to complete new starter forms and as part of this process the declaration of interest form should be completed. The Personal Assistant for the respective Directorates retain completed declaration of interest forms.

From discussions with the Chief Executive and Assistant Director, Professional Services it is understood that considerable improvements have been made by the organisation to establish a process to obtain assurances regarding employees interest on a regular basis.

Employees are now required to annually complete a Declaration of Interests Form and Outside Work Form and reminders are sent out by the Directors' Personal Assistants for their respective directorates to commence this process. Once the forms have been submitted they are collated and monitored by the Personal Assistants.

The Chief Executive confirmed that this is currently an ad-hoc approach until a robust, less laborious process is implemented. To address the manual process the Council agreed (on 5th April 2012) within the Statutory Officers Meeting to fund the procurement of an electronic system.

The directorates have different processes around collating and review of the Declaration of Interests forms and the Outside Work forms. Some directorates maintain a log of all the declarations received against what is expected and others maintain the forms on file but do not have a log of the declaration forms returned. The process around review is also inconsistent between directorates.

Executive Summary:

We cannot provide assurance that robust systems are in place to ensure employees have been required to declare relevant interests.

We are unable to provide assurance that all new employees are asked to complete declaration of interest forms or that an effective system is in place to follow up non-completion of these forms for new starters and/or existing staff. The main issues arising from this audit are:

1. The Council does not have robust process to ensure all employees who would be required to complete a declaration of interest form are identified on an on-going basis. We noted that email distribution lists were being utilised rather than establishment lists and therefore some employees could fail to be reminded each year.
2. Sample testing found that eight out of 20 new starters had not completed a declaration of interest form. In addition, testing on 12 out of 25 existing employees identified that they had not completed a declaration of interest form in 2011/12.
3. At the time of our review there had been no effort to follow up outstanding forms.

The implication of the above is that the Council cannot ensure that all staff who should have completed a declaration of interests form have in fact completed one. This could result in the Council being unaware that staff may have potential conflicts of interest with either current or prospective suppliers which could result in in-appropriate engagements being entered into or inappropriate decisions being made.

The process is currently paper based and requires a significant resource in ensuring all responses are appropriately received. However, it was noted that this is an ad-hoc approach until a robust, less laborious process is implemented. The Council recently agreed to procure an electronic system which should help to address some of the weaknesses identified in this review.

Design of control framework

- The Code of Conduct does not clearly explain interests of family members and interests through the receipt of direct payments for social care.
- New starters are required to complete Declarations of Interests forms and Outside of Work form on commencing employment. However, the induction checklist does not include a check to confirm the employee has completed a declaration of interest form.
- The Council does not have a set of procedures to explain how staff will be requested to declare their interests on commencement of employment at the Council or at any regular interval to ensure the organisation captures any new interests that an employee may have.

- The Council does not have a set of procedures to explain how management review and share information on completed Declaration of Interest forms and how to appropriately manage employees other interests. Without consistent communication of declarations made the Council could make inappropriate decisions that are not in the best interest of the Council.

Application of and compliance with control framework

We found that a number of controls identified above were not adequately complied with. We identified the following weaknesses:

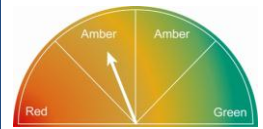
- Sample testing identified that 8 of 20 Declaration of Interests forms for new employees were missing and therefore considered not completed. We confirmed that neither the Personal Assistants nor Human Resources held a copy.
- Sample testing identified that the Council had not received Declaration of Interests forms from all employees during the annual review and there had been no effort to follow up outstanding forms to date.
- Sample testing identified that within the Resources and Regeneration Directorate that the Declaration of Interests forms are not signed off by the Director to demonstrate they had been reviewed. We were informed by the Personal Assistant that a review had taken place. However, without evidence of this on the forms we cannot be assured that it did actually take place.

Recommendation	Management Response	Responsible Officer	Date
<p>Rec 2 The Council should create a procedure/policy document explaining the process for the completion of the Declaration of Interest exercise. This document should outline:</p> <ul style="list-style-type: none"> ▪ Who is responsible for requesting individuals to complete Declaration of Interest forms at commencement of employment and at regular intervals; ▪ Timeframes for completion of the exercise; ▪ The escalation process for employees who fail to comply with requirements; and ▪ Who is responsible for monitoring the completion of the exercise and responsible for assessing the impact of any declared interests. <p>It should be noted that the first three requirements of this recommendation could be addressed through the full implementation of recommendation four. (HIGH)</p>	<p>Once a system is in place and the processes are clearly understood a procedure will be drafted to ensure that this does not need completing more than once.</p>	<p>Kevin Gordon, Assistant Director Professional Services</p>	<p>December 2012</p>
<p>Rec 4 The Council should progress its plan to introduce an electronic process for completing the Declaration of Interest process that removes the extensive resources required by the</p>	<p>A resource has been requested from CMT to enable the Council to procure an electronic system to carry out this declaration of interest</p>	<p>Kevin Gordon, Assistant Director Professional Services</p>	<p>December 2012</p>

<p>Personal Assistants.</p> <p>The Council should ensure a new introduced system has the capability of:</p> <ul style="list-style-type: none"> ▪ Identifying through a link to HR/payroll systems all new starters to request them to complete a declaration of interest; ▪ Remind employees who have not completed the exercise; ▪ Escalate non-completed declarations to senior management; ▪ Automatically request all employees to complete the exercise at regular intervals; and ▪ Enable management to analyse the completion of interests and search potential conflicts. <p>If the Council is unable to introduce an electronic, automated system to capture this information the Council should maintain Directorate logs to monitor:</p> <ul style="list-style-type: none"> ▪ Outstanding Declaration of Interest forms; and ▪ Record employee interests to enable management to review potential conflicts. <p>From the completed log employees need to be reminded of the requirement to comply with the policy/procedure on Declaration of Interests and non-compliance should be appropriately escalated. (HIGH)</p>	<p>process. The Council will ensure any new system has the capabilities listed in this recommendation.</p>		
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Assignment: Registered Bed Services (5.12/13)

Opinion: Amber Red



Headline Findings:

Design of control framework

- The local complaints procedure at Respond and Lavender Court were in excess of two years since the last date of review. It was noted that the Respond procedures referenced the Town Hall as the contact point for customer care, which is no longer appropriate. If procedures are not regularly reviewed in terms of complaints, issues that arise could continue to occur if they have not been managed in the most appropriate and up to date manner.
- Respond did not maintain a live log of complaints received. It was noted that an annual complaints analysis sheet for all complaints received is completed. However, without a live log the care home may be unable to identify common trends on complaints in year.

- Respond's Clothing List and personal Belongings Inventory Process - Guidance did not include requirements for employees to sign to verify the details recorded within admission and discharge lists.
- Lavender Court did not possess procedures on residents' belongings. We noted that the recording of belonging is only conducted by the Unit Manager or Assistant Unit Manager. However without procedures other employees could undertake the task incorrectly.

Application of and compliance with control framework

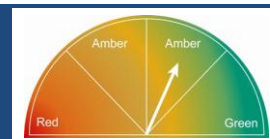
We found that one of the controls identified above was not adequately complied with. We identified the following weakness:

Sample testing identified that employees had not undertaken the mandatory training courses they were required to attend. Sample testing of five staff at both sites found that only one of the ten sampled employees was fully compliant across all required courses. This could potentially result in the safety or quality of service provided to residents being jeopardised. We have made a high rated recommendation regarding this matter.

Recommendation	Management Response	Responsible Officer	Date
<p>Rec 4 – High</p> <p>The Council needs to ensure that new providers of mandatory training courses consider the timing of courses to ensure that all staff are adequately trained, or where appropriate consider e-learning.</p> <p>Unit Managers need to request that they receive regular data on the compliance of their staff on completion of mandatory training.</p>	<p>Both managers need to closely monitor their staff's mandatory training take-up. Missed training days must be re-booked as soon as possible. However, this is often subject to availability which is a matter out of our hands. We are working with the training department to address the frequency timescales of mandatory refresher training. We also need the training department to confirm when individual staff have completed the course and do so in a timely manner in both services.</p> <p>Outstanding: Completion timescale agreed at audit feedback meeting October 2012 for initial consultation period with ASC Managers, Training Department & HR over mandatory training refresher timescales and the end of March 2013 for the final approval of these actions.</p>	<p>Peter Sutton, Unit Manager Lavender Court</p> <p>And</p> <p>Paul Nicoll, Unit Manager Respond</p>	<p>End of March 2013</p>

Assignment: Multiple Housing Occupation (7.12/13)

Opinion: Amber
Green



Headline Findings:

Design of control framework

- The Council has a Private Sector Housing Procedures, which identifies the process to be followed for identifying potential HMO's prior to the licencing of the HMO. However, this had not been subject to a regular

review and did not include details of the level of authority that had approved the documented process.

- The Council has created a HMO Licencing pathways and timings Flowchart, and an accompanying process document, which provides clear concise information around the processing of a HMO licence. However, this also had not been subject to a regular review and did not include details of the level of authority that had approved the documented process.
- The amount charged by the Council, has been communicated to members of the public through the initial application pack, the amount charged has also been authorised by the Council. Sample testing during this review confirmed that applicants had been appropriately charged. However, the pricing had not been subject to a review since July 2010 and therefore the Council could potentially forgoing additional revenue if this rate is no longer appropriate.

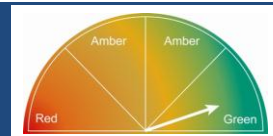
Application of and compliance with control framework

We found that a number of controls identified above were not adequately complied with. We identified the following weaknesses which resulted in one high and one medium recommendation:

- Sample testing found that two six monthly inspections had not been completed in an appropriate timeframe. If an incident was to occur at a HMO which had not been subject to an inspection the Council's reputation could adversely be affected.
- Sample testing found that no evidence other than a record on the FLARE system had been retained to demonstrate Housing Health and Safety Rating System (HSSRS) inspections had been completed in the lifespan of a HMO licence. There is the potential risk that the FLARE System could be incorrectly updated and if an incident was to occur where in-fact an inspection had not been conducted then the Council's reputation could be adversely affected.

Assignment: Thames Valley Transactional Hub –
Governance Structure Set up Arrangements
(12.12/13)

Opinion: Green



Headline Findings:

Design of control framework

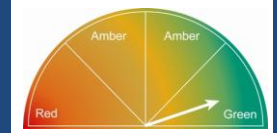
We found that the controls were designed predominantly well designed. We found the following weakness in relation to the design of the controls:

- The contract between the Council and Arvato did not define the responsibility of Arvato to adopt responsibility for the management of existing outstanding issues with transactions as of April 2012. For instance, aged debtors, payroll overpayments and council tax arrears. However, it was noted that the Council has been advised by their Legal team that as the contract does not advise otherwise existing matters such as these are implied.

Application of and compliance with control framework

We found that a number of the controls identified above were not adequately complied with. We identified the following weaknesses:

- The Council has yet to formally approve their own Business continuity and Disaster Recovery Plan and therefore the service provider is unable to provide assurance that their plans are consistent with those of the Council.
- The Council do not have a formal action plan in place for the transfer systems over to those provided by the service provider and therefore when systems are transferred the Council might potentially encounter issues which could impact on the quality of service if these projects are not appropriately managed.

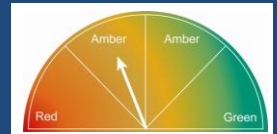


Headline Findings:

Application of and compliance with control framework

We found that although the majority of controls identified were adequately complied with, we did identify the following two minor weaknesses which resulted in two low recommendations:

- Project Management documentation had not fully been utilised. For instance sections of the Project Initiation Document were missing including costing of the project and the risk register, however a risk register was maintained separately. We also noted that the standard template for project meetings had not been utilised. If the appropriate project management tools are not utilised the Council could potentially fail to efficiently and effectively complete projects.
- Care home providers and associations were not informed of the consequence of failing to provide the necessary data in order for the Council to calculate the proposed Usual Cost of Care for 2012/13. This lack of correspondence in regard to this specific matter could potentially result in the Council incurring excessive expenditure and potentially impact the Council's reputation if care homes do not feel that they have had the process fully communicated to them.



Headline Findings:

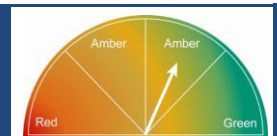
Design of control framework

- The Council has not introduced a procedure for the Booking out of the Children Centres Venues.
- Customers with outstanding debts are able to continue to book alternative Council buildings as there is no system to identify if they still have outstanding debts at the time that the booking is made. At the time of the audit the total value of the aged debt in respect of the hire of council buildings was £43,421 of which £22,218 was over 60 days old and £10,939 over a year since the debt was raised.
- The Council does not host all facilities that were available for hire in one clear location on their website and therefore potential customers may be unaware of alternative facilities available for hire if their first choice facility is not available.

Application of and compliance with control framework

The controls identified above were pre-dominantly complied with, however we did identify one example of non-compliance:

Facilities not in use were not locked to prevent users from gaining access to additional facilities that have not formed part of the hire fee and therefore the Council could be missing out on additional income if these facilities were required by the hirer. The failure to restrict areas of premises also increases the risk of theft.



Headline Findings:

Design of control framework

- The Council have not drafted their Leisure Facilities Strategy. However, at the time of our review the

Assistant Director, Community & Skills confirmed that it has been agreed with the Commissioner for the strategy to be presented to the Cabinet for consideration and approval in November 2012 and Democratic Services had been asked to add this to the forward plan for the Cabinet. We have therefore made no formal recommendation on this matter.

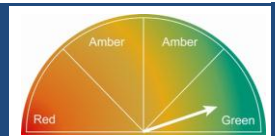
- The Council do not review if the facilities are providing value for money. The community could be failing to use the facilities provided and therefore the Council is subsequently failing to achieve their objective of offering facilities that are 'open to all' and this could have subsequent adverse health effects in the community.

Application of and compliance with control framework

In the majority of our testing the controls in place were being complied with. We have however made one low category recommendation to address one area of non-compliance.

Assignment: Housing Benefits (20.12/13)

Opinion: Green



Headline Findings:

Design of control framework

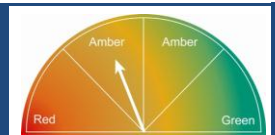
There was no procedure in place to ensure that an aged debt report was run and reviewed on a regular basis and therefore management may be unaware of debts that are not being appropriately managed, which could potentially become irrecoverable.

Application of and compliance with control framework

The Overpayments Procedure and the Procedure for Non-Qualifier decisions, Cheque Run Procedures and Cheque Production were either out of date and or did not include details of their review on the document. If procedures are not subject to a regular review they could become obsolete and potentially employees could process housing benefits in a manner which is not compliant with legislation or that results in the Council incurring excessive expenditure.

Assignment: Rent Accounts (21.12/13)

Opinion: Amber Red



Headline Findings:

Application of and compliance with control framework

The following weaknesses in the application of the above controls were identified:

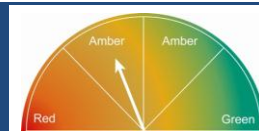
- There was no regular monitoring of decisions made by the Arrears Officers to ensure outstanding current tenant arrears are being chased appropriately. If monitoring is not carried out effectively this may result in the Council failing to receive outstanding rental income.
- Chasing of Former Tenant Arrears had not been fully completed. We were informed that this was due to resourcing issues. The FTA Officer is due to return on the 6th of August and will have refresher training to ensure that they are up to date on recovering outstanding former tenant arrears.
- The refund procedure did not include timeframes by which refund requests should be processed. If refunds are not processed timely this may result in reputational damage for the Council.

Recommendation	Management Response	Responsible Officer	Date
Rec 1 – High Monitoring of Recovery Officers' decisions over £500 should be reviewed in alternate weeks when the prompt report is not being run	This recommendation entirely accepted implementation already underway	Ken Hopkins	Completed end Oct 2012

on Capita. Managers should monitor prompts not completed or rejected by officers to ensure that officers are following procedures correctly and arrears do not become irrecoverable.

Assignment: Data Image Management (22.12/13)

Opinion: Amber Red



Headline Findings:

Design of control framework

- The performance measured for each day was undertaken by running a report of the number of documents scanned at the end of each day. As the report produces the number of documents scanned it does not capture the date the documents were scanned or when they were indexed and therefore it would not appropriately measure if this was undertaken within 24hours. This may result in inappropriate performance reporting.

Application of and compliance with control framework

- We noted that the date of next review was not included on the procedure document. If the date of review is not clearly stated officers may use out-dated procedures and subsequently not being appropriately prioritising the correct documentation or following the most efficient protocol.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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