

Appendix A

London Borough of Barnet Internal Audit & Risk Management Progress Report 2013-14 – Quarter 3

Caroline Glitre, Head of Internal Audit and Anti-Fraud


1. Introduction

The Internal Audit Plan was accepted by the Audit Committee on the 8th April 2013. This report follows the principles previously requested by the Committee, in that all audit reports with limited or no assurance will be summarised into key messages with some detail.

2. Final Reports Issued

This report covers the period from 1st October 2013 to 31st December 2013 and represents an up to date picture of the work in progress to that date. The Internal Audit service has over this period issued 18 reports in accordance with the 2013-14 Internal Audit Plan. The full list of completed audits during this period is included within Appendix B. The majority of reports issued in the current period were given Satisfactory assurance, with 3 reports given Limited assurance and 1 report given No assurance. The summary detail of those reports issued as limited assurance is included within section 3.

3. Key Findings from Internal Audit Work with Limited or No assurance

Title	Contract Management & Benefits Realisation Framework – Barnet Homes Management Agreement			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel Last audit: No previous audit.				
Date final report issued:	13 th January 2014			
Background	<p>The Contract Management and Benefits Realisation Framework audit looked at the overarching commercial team contract management controls in place within the Commissioning Group and a sample of two key contracts managed by the Group: Customer and Support Group (CSG) and Barnet Homes.</p> <p>A lot of the findings we identified are of a historic nature. We note that the Commissioning Group is a newly constituted body and that our review found that the design of the new controls they are seeking to implement are satisfactory. As the Commissioning Group have not yet had time to fully enforce the new control environment, we have separated out our assurance opinion to demonstrate where the strengths and weaknesses we have identified lie.</p> <p><u>Commissioning Group – Satisfactory Assurance</u></p> <p><u>Customer and Support Group (CSG) Contract – Satisfactory Assurance</u></p> <p><u>Barnet Homes Management Agreement – No Assurance</u></p> <p>During the review several areas of good practice were identified, including:</p> <ul style="list-style-type: none"> • All areas reviewed are consistently applying the Council’s risk management strategy and processes; • We noted several areas of good practice in relation to the Customer and Support Group contract management, for example, the contract has comprehensive stakeholder management controls, and strong governance is in place for the weekly issues meetings with CSG and monthly Partnership Operations Boards to challenge performance; and • The change management controls ensure that changes consider on-going strategic alignment and the contract manager is in the process of producing comprehensive guidance on the contract’s clauses and services. 			

Summary of Findings

Barnet Homes Management Agreement

As part of the audit we were able to give 'No' Assurance to the service, noting three high and one medium priority issues as part of the audit. These are summarised below:

- **Documentation and Change Control**

We found that the documentation in place for Barnet Homes was not fit for purpose. The 2004/14 agreement provided was in draft, incomplete and had not been formally signed. We were unable to identify a change control process or log detailing changes to the agreement prior to 2013. We also found the additional 2013/14 management agreement did not contain information we would expect to see in order to effectively manage the relationship, for example, services to be provided, decision making arrangements or monitoring regimes. Without this documentation we were unable to establish how the relationship manager would be able to manage the contract effectively and provide challenge on performance and delivery.

- **Benefits Management**

The planned benefits of the 2004/14 Barnet Homes agreement have not been documented and approved. As a result it was unclear what benefits the Council had planned to achieve or how the Council intended to demonstrate the delivery of the benefits on which the investment decisions were made.

- **Financial Management**

We identified areas where the Barnet Homes financial management controls should be improved. The financial arrangements documented in the 2004/14 management agreement have been subject to variations throughout the lifecycle of the agreement, however the process for the agreement of these variations or the variations themselves have not been documented.

- **Issue Management**

We identified areas where the Barnet Homes agreement issue management controls should be improved, through the introduction of an issue management process and the recording, monitoring and reporting of issues.

**Priority 1
recommendations,
management
responses and
agreed action date**

Recommendation 1 - Documentation and Change Control:

The below recommendations should be instigated immediately to enable a much earlier completion date than the current proposed date of April 2015.

- a) Management should refresh the management agreement to include the points raised within this report by 31st March 2014;
- b) The refreshed management agreement should be agreed and signed by both parties; and
- c) Management should ensure that performance is monitored against the refreshed agreement.

Management Comment 1:

Although unable to provide a copy, it is believed that there is an agreed and signed version of this original 2003 management agreement. It is also suggested that variations to the agreement since 2004 would have been subject to CRC reports and agreement. It is acknowledged that some of the issues are historic and it is suggested that the creation of the ALMO in 2003 would not have been regarded as a "contractual" relationship as the Council would see it now.

A formal project group has been established including the Lead Commissioner and the Head of Commercial at Barnet Homes to oversee the development of a one year interim delivery plan to be signed by both parties. This will address the shortcomings identified above. The project will then go on to look at the formal arrangements for the delivery of services from April 2015, and will ensure that they provide robust processes in line with contractual arrangements in other areas.
(April 2014)

Recommendation 2 - Benefits Management:

- a) The planned benefits of the Barnet Homes contract should be clarified and agreed;
- b) A benefits management process should be introduced to ensure that the realisation of planned benefits is monitored regularly and threats to the achievement of planned benefits escalated appropriately; and
- c) Management should agree baseline figures, targets and methods of measurement for planned benefits.

Management Comment 2:

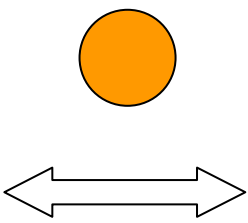
These will be clearly identified as part of the development of the formal arrangements from April 2015. **(April 2014)**

Recommendation 3 - Financial Management:

The financial management arrangements for the Barnet Homes contract should be clarified, documented and agreed as part of the refreshed management agreement (as per recommendation 4.1). In particular this should include documenting the process for agreeing variations to the cost of the contract.

Management Comment 3:

These will be incorporated within the interim delivery plan and for any future formal arrangement. **(April 2014)**

Title	PFI Street lighting Contract Management			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel An Assurance Level of “limited” was provided in 2010-11 Street Lighting audit (May 2011).				
Date final report issued	15/01/2014			
Background	<p>The commissioning of the street lighting contract was undertaken as a dual/joint procurement project between London Borough Barnet and Enfield in 2005 as part of a PFI (Private Financing Initiative).</p> <p>London Borough of Barnet now has a street lighting PFI contract for the maintenance and repair of its street lighting. The contract term is 25 years and it commenced in May 2006.</p> <p>A contract exists between the Operator, Barnet Lighting Services, and the London Borough of Barnet. There are two separate contracts for the Barnet and Enfield projects and as such the authorities pay their own individual unitary charges.</p> <p>At the beginning of the contract there were approximately 30,620 road lighting units with 25,243 columns and 5,377 illuminated signs and bollards. The responsibility for maintaining, repairing and replacing the street lighting and illuminated signs and bollards in the borough falls to the Operator, Barnet Lighting Service (BLS). BLS sub-contracts all works for the street lighting service to Bouyges E&S Limited.</p> <p>The Council pays the Operator an agreed unitary charge, which increases over the contract term as a function of the PFI Contract model and due to other factors including Retail Price Index (“RPI”), in return for the services. The Payment Mechanism generates deductions from each month’s unitary charge for failures to meet defined performance requirements. Overall, the payments to the Operator will depend on the level of service the Operator provides. In addition, given the property’s nature, there is a risk that financial adjustments for underperformance or non-availability will be high. The Operator therefore bears significant availability and performance risk.</p> <p>The value of the contract is approximately £7m per year.</p>			

	<p>Although a limited assurance position was also reported in 2010-11, it is recognised that overall the management of the contract has improved since that time.</p>
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Summary of Findings

As part of the audit we were able to 'Limited' assurance to the service, noting one high, three medium and two low issues as part of the audit. .

The following areas of good practice were noted:

- The timely provision and scrutiny of monthly monitoring reports, reporting contractor performance, in line with the contract.
- Contract Monitoring meetings, where performance was scrutinised, were attended by the appropriate officers to challenge performance effectively and were held monthly in line with the contract. There were clear audit trails of identified monitoring issues to the minutes of the contract monitoring meetings and their impact on the final invoice figure, where applicable.

We noted the following significant issue:

- Within the Contract, Performance Standards are the formal measure for ensuring that the contractor delivers the contract and is held to account for performance. There are also BVPI's and Local Performance Indicators (LP's) that sit below this in the contract to require the provider to submit additional reporting information. The Contract requires that, as part of Performance Standard 5, the contractor produce an Annual Service Report, reporting contractor performance, including performance indicators, for the year from 1 April to 31 March. On submission of the draft report in February 2013, the PFI Contract Manager agreed that the Annual Report would not be finalised as the contractor had more pressing priorities. This decision was not verified formally by Senior Management, nor has the Annual Report been reviewed as would have been expected. Additionally, the PFI Contract Manager in October 2012 suspended reporting on historic LP's to endeavour to rationalise the LP's and make reporting on the contract more meaningful. It is expected that the decision to manage the change to LP's would be formally approved by Senior Management.

We noted the following other issues:

- Citigestion is the system maintained by the contractor where street lighting assets/apparatus, maintenance activity and target, start and completion timeframes for jobs are recorded. The system informs the Monthly Monitoring Reports reporting contractor performance. It is a contractual requirement that the data within Citigestion be at least 99% accurate, and that the contractor confirm as much if requested to do so by the Council. Since March 2011, the contractor has not been asked to confirm this level of accuracy and there is evidence of the Council undertaking only ad hoc data quality checking of Citigestion, generally stemming from the performance monitoring process, where related data issues were noted. Due to the number of lines of data within Citigestion, management

assert that it is unlikely that the accuracy since March 2011 will have deteriorated enough to dip below 99%. However, this assertion is not supported by adequate records or any formal arrangements for evaluating data quality.

- Records for only some, not all, monitoring were maintained for inspection. The contract monitoring officer indicated that records of monitoring were only retained if an issue had been identified, for discussion at monthly monitoring meetings and inclusion in final actual monthly monitoring reports. It was therefore not possible to assess the full extent of monitoring, in particular operational visual inspections, undertaken each month, and specific monitoring to test and confirm the proof of a positive and honest working relationship between contractor and Council. This is essential for a successful PFI contract, especially where there is only one officer available to monitor their operational performance.
- While the monthly invoices we inspected were all certified by the PFI Contract Manager, there was no evidence of independent senior manager review, scrutiny and challenge of invoice prior to payment.

**Priority 1
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Recommendation 1 – Annual Service Report:

Any changes to performance metrics should be formally approved at Senior Management level and should include a consideration of whether more fit for purpose performance measures should be included.

The Annual Service Report should be provided and should contain all relevant information in terms of the contract to allow for an effective assessment of overall service delivery for the year. The Annual Service Report should be reviewed and challenged at Senior Management level in the Delivery Unit to assess and confirm overall performance by the contractor.

Management Comment 1:

No formal change has been made to the contract via the approved mechanism, the change control procedure.


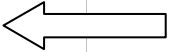
The service provider has not provided data relating to two of the LP's and has not provided the annual report at the appropriate time and as such the performance reports are not wholly complete. This has been allowed by the contract manager on following basis:

- The two PI's are not significant as the information can be viewed by accessing the data held in the Management Information system to which the Client monitoring team have access. In respect to LP2 this was only relevant within the Core Investment period (first 5 years) as at the end of this period all columns in excess of 25 years of age would have been replaced. Therefore at the end of the CIP this figure was 0%. In respect to LP8 requests for improved lighting are recorded as potential complaints and these are reported within the monthly performance reports.

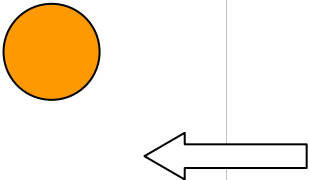
The Annual Report includes a range of different data much of which is also included in the monthly reports. The purpose of the annual report is to show the trends in combining the monthly data, however the parties had agreed that this information would be useful and as such it was not desirable to wait 12 months to review trends and therefore the parties agreed that such information would be provided within the monthly report, thereby increasing visibility of performance trends and allowing performance issues to be identified and addressed more quickly. This is a positive improvement.

Management can confirm that arrangements are in place to ensure that where the Change Control process is instigated this will not be instigated without the formal approval of senior management. Therefore should the PFI Contract Manager consider in the future that a change is desirable this will be instigated through the Change Control process but only after this has been formally agreed by the Infrastructure and Parking Manager, who has overall responsibility for the Street Lighting PFI Contract.

It is accepted that these changes have not been formally reviewed and agreed by Senior Management. It is also accepted that the inherent risk is low.

Title	Livingstone Primary & Nursery School			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel Previous audit June 2010 - Satisfactory				
Date final report issued	22 Oct 2013			
Background	<p>Livingstone Primary School is a community school with places for 236 pupils aged between 3 and 11 years of age. The School budget for 2013/14 is £2,040,317 with employee costs of £1,563,516 (77% of the delegated budget). The School was assessed as 'Satisfactory' by OFSTED in May 2012.</p>			
Summary of Findings	<p>As part of the audit we were able to give 'Limited' assurance to the school, noting one high and seven medium priority issues as part of the audit (in order of priority):</p> <ul style="list-style-type: none"> • <u>Banking & Petty Cash</u>: - Cheques are signed without reference to supporting documentation (invoice/purchase order); • <u>Income</u> – Checks are not carried out by an independent officer to verify that amounts banked agree to control records for all income collected; Uniform stock records are not maintained; High level of dinner money arrears; • <u>Purchasing</u>: - Two missing purchase order forms from a sample of 23; authorisation of purchase orders were not found to be in accordance with requirements as approved within the School's Financial Management and Procedures Policy document; direct payments to an individual, for which purchase orders have not been raised and self-employed status has not been confirmed; • <u>Insurance</u>: - Cash held overnight in the school safe exceeds the insurance limit of £1k on a regular basis; • <u>Contracts</u>: - A 'value for money' exercise has not been carried out prior to renewal the grounds maintenance contract; • <u>Lettings/After-school Clubs</u>: - Arrangements with independent after-school club organisers have not been formalised; • <u>Assets</u> – Dates of acquisition, supplier details, value and purchase order numbers are not recorded for each item; No clear audit trails exist for items of inventory which have been disposed of/written-off: • <u>Governance</u> – The Financial Management & Procedures Policy document is not comprehensive. It has not been 			

Priority 1 recommendations, management responses and agreed action date	<p>amended to reflect the following changes:</p> <ul style="list-style-type: none">- The introduction of the 'Schools Financial Values Standard' (SFVS) requirement;- Best Value Statement is no longer a requirement;- The Contract Standing Orders for Schools document update in 2010. <p>Recommendation 1 - Banking:</p> <p>The School should ensure that cheques are not signed unless accompanied by all relevant documentation to confirm that payment has been approved.</p> <p>Management Comment 1:</p> <p>The finance officer now submits cheques and invoices together to the head teacher for signature.</p> <p>(Head Teacher - In place immediately after audit visit September 2013)</p>
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Title	Rosh Pinah School			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel Previous audit June 2010 - Satisfactory				
Date final report issued	25 November 2013			
Background	<p>Rosh Pinah Primary School is a voluntary aided school with places for 460 pupils aged between 4 and 11 years of age. The School budget for 2013/14 is £2,066,575 with employee costs of £1,704,550 (82% of the delegated budget).</p> <p>The School was assessed as 'Good' by OFSTED in December 2009.</p>			
Summary of Findings	<p>As part of the audit we were able to give 'Limited' assurance to the school, noting two high and six medium priority issues as part of the audit (in order of priority):</p> <ul style="list-style-type: none"> • <u>Purchasing</u> - Inconsistent checks over receipt of goods; purchase orders are raised without confirmation of available budget; lack of separation of duties; authorisation of purchase orders are not consistent with approved procedures; • <u>Income</u> – No separation of duties; checks are not carried out by an independent officer to verify that amounts banked agree to control records; • <u>Banking</u> - The Authorised Signatories mandate is not consistent with the School's bank mandate/Financial Management & Procedures Policy and no responsibilities have been assigned to officers listed; only three officers are listed on the mandate and therefore could lead to a lack of separation of duties in the event of absence of one or more of the officers; Four items remain unrepresented on the School's bank reconciliation, including one uninvestigated item of income for £255, which was sent for banking in May 2013 but has not yet been credited to the bank account; • <u>Contracts</u> - No visible evidence of a fair and transparent process for the selection of relevant goods and services procured by the School; • <u>Assets</u> – Supplier details and purchase order numbers are not recorded for each item; Disposal/write-off of items from the inventory have not been approved by governors; There is a lack of clarity with regards to ownership for the inventory software which has been devised and provided by the IT Technician currently employed; 			

**Priority 1
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- Voluntary Funds - The accounts have not been audited on an annual basis; no visible evidence to confirm that the accounting records are independently overseen;
- Governance - The Financial Management & Procedures Policy document is not comprehensive. It has not been updated to reflect the following:
 - Replacement of the FMSiS (submission of a Best Value and Controls Assurance Statement is also no longer a requirement);
 - The introduction of the 'Schools Financial Values Standard' (SFVS) requirement;
 - Current signing procedures for purchase orders and cheques
 - The Contract Standing Orders for Schools document update in 2010.

Recommendation 1 - Purchasing:

The School should ensure that:

- a) The officer(s) responsible for checking receipt of goods, sign and date all delivery notes to indicate that the delivery was received complete etc;
- b) Availability of budget is checked prior to approval of each purchase order form;
- c) An adequate separation of duties is introduced into the purchasing system and that one officer is not able to approve a purchase order, invoice and sign cheques;
- d) A review of the School's signatories is undertaken to ensure that purchase orders and cheques are signed in accordance with approved delegated limits.

Management Comment 1:

Agreed – A review of the Purchase Order system has been made and this shall be reflected in the new draft of the Finance Policy. There shall be a correct implementation of the separation of duties. The bank mandate signatories and authorisation of purchases shall be updated in line with these comments and ratified.

(Head Teacher, 20.12.13)

Recommendation 2 - Income:

Controls and procedures should be in place to ensure independent checks are carried out to confirm amounts banked agree to control records for all income collected and this is adequately evidenced.

Management Comment 2:

Agreed – The Financial Manager shall check the banking intermittently and sign off on the paying in slip

(Head Teacher, Immediately)

4. Work in progress and effectiveness review

Appendix C includes a list of all of those audits at the planning, fieldwork, or draft reporting stages. Appendix D includes performance against the Internal Audit effectiveness indicators. We have met all targets within the plan with the exception of two indicators being rated Amber:

- 1) 65% of the annual plan has been delivered, which is below the target for quarter 3 of 74%. Although performance is currently below target, there are several reviews at the last stage of fieldwork, and the fieldwork on several of the quarter 4 reviews has already commenced. Therefore we are confident that the plan will be finalised by the end of the financial year.
- 2) Implementation of internal audit recommendations – the progress of quarter 3 recommendations is included in Appendix D where 100% recommendations are implemented. Last quarter 67% of recommendations had been implemented within the required timeframe. As such there has been an improvement in the completion of audit recommendations in the timescales originally agreed.

5. Liaison with Officers and External Audit

The Internal Audit Service is committed to the managed audit approach. Part of this includes regular liaison with External Audit to ensure that our work can be used by them as part of their financial accounts audit. Quarterly meetings, as a minimum, occur between external and internal audit.

Regular meetings have occurred with senior officers regarding implementing action plans in accordance with the agreed timeframe.

As part of the Internal Governance reviews of the four 'Resource Enabling Boards', Internal Audit officers have been working closely with Governance colleagues to ensure efficient and effective audits.

During the last quarter officers within the Assurance Group have been working closely with CAPITA in relation to developing a working protocol that both clarifies and puts in place practical arrangements around the relevant Audit, Fraud and Risk contract clauses. This working protocol will support the 'external assurance' quadrant of our annual plan.

6. Changes to our plan

Since the Internal Audit Plan was approved there have been some changes within the quarter made to the original audit plan agreed in April 2013 in respect of timing and additional audits requested from Directorates.

Type	Audit Title	Reasons
Additional	Barnet Autism Self-Assessment (BASA)	Request by the Director for People to undertake audit of the BASA in response to two members of the Autism sub-group stating that the draft BASA was not an accurate reflection of the representatives' views.
Combined	Contract Management and Benefits Realisation Frameworks	Combined due to crossover on scope and same auditor undertaking review of both frameworks.
Combined and Deferred	Children's Review (previously Remands) and Legislative Changes	Agreed with Children's service that Remands overspend largely outside of Council control therefore an audit of response to Children's legislative changes to be undertaken.
Deferred	Performance Management Framework	Deferred to Q4 due to number of reviews underway in Q3.
Deferred	Equalities	Deferred at the request of the service due to last audit being undertaken in Q4 of 2012/13 and priority 1 recommendations from that review having been implemented on time.
Deferred	Transformation	Deferred to Q4 in ensure best timing to review wave 2 projects.

7. Reports and assurance projects for management purposes

There was one assurance project undertaken by internal audit that is not considered an assurance report (i.e. it does not give an assurance rating) but none the less aid management in assessing the effectiveness of their control environment. Within these reports if a significant issue has been identified as part of that review it has been included within this progress report:

- **Troubled Families – Payment By Results review**

As reported verbally to the Audit Committee in October, we have completed the first stage of this Assurance project requested by the Children's service. When initially asked to substantiate the July 2013 PBR claim, we were unable to do so due to the lack of evidence to support the number of families being classed as 'Troubled'. We undertook further work in September which highlighted three exceptions which required the claim to be revised down from 33 to 30 Troubled Families. The service was then able to make its submission in line with the October 2013 deadline.

We are in discussions with the service on the assurance that is needed over future submissions as these are made to the Department of Communities and Local Government (DCLG) four times a year. This work will be part of the 2014/15 audit plan as it is required by DCLG that internal audit provide assurance over the claim.

8. Risk Management

In Quarter 2 a substantial amount of risks were transferred from the Council to our Capita partners in line with the commencement of the CSG and Re contracts. Relevant retained risks have been captured and joint risks will be managed through the contract and clienting function and reported quarterly in accordance with the council's risk management framework.

The final performance report for Quarter 2 can be found via the link below and includes the Quarter 2 corporate risk register:

<http://barnet.moderngov.co.uk/documents/g7461/Public%20reports%20pack%2016th-Dec-2013%2019.00%20Cabinet%20Resources%20Committee.pdf?T=10>

Appendix B: 2013-14 work completed during quarter 3 including assurance levels

Audit Opinions on Completed Audits during the period

Systems Audits		Assurance
1	Safeguarding Children Section 11	Satisfactory
2	Street lighting PFI Contract	Limited
3	Procurement Board – Internal Governance Q2	Satisfactory
4	Customer Services & Information Management – Internal Governance Q2	Satisfactory
5	Early Intervention and Prevention	Satisfactory
6	Partnerships	Satisfactory
7	Health & Social Care Integration	Satisfactory
8	Barnet Autism Self-Assessment	Satisfactory
9	Risk Management Framework	Satisfactory
10	Contract Management & Benefits Realisation Framework:	
	Commissioning Group	Satisfactory
	CSG	Satisfactory
	Barnet Homes	No
Assurance Projects		
11	Troubled Families PBR	N/A

School Audits		Assurance
1	Livingstone Primary & Nursery School	Limited
2	Rosh Pinah	Limited
3	St. Mary's & St. John's	Satisfactory
4	Oak Lodge	Satisfactory
5	Jewish Community Secondary	Satisfactory
6	Coppetts Wood	Satisfactory
7	Claremont	Satisfactory

Appendix C: Work in progress

The following work is in progress at the time of writing this report:

Work in progress

	Systems Audits	Status
1	Information Management & Governance	Fieldwork
2	People Management	Fieldwork
3	IT controls - data integrity and security	Fieldwork
4	External Assurance quadrant	Fieldwork
5	Business Continuity	Fieldwork
6	Equalities	Fieldwork
7	Data Quality	Fieldwork
8	Financial Management	Planning
9	Performance Management Framework	Planning
10	Public Health	Planning
11	Health & Safety	Planning
12	Contract Review – Parking Contract	Planning
13	Waste – Project Assurance	Planning
14	Transformation Q4	Planning
15	SWIFT and WISDOM	Planning
16	Legislative Changes – Education & Skills	Planning




Appendix D: Internal Audit Effectiveness Indicators

Performance Indicator	Annual Target	End of Quarter 3
% of recommendations accepted	98%	100%
% of recommendations implemented	90%	100%
External Audit evaluation of Internal Audit	Reliance On IA	Quarter 4 assessment
Average client satisfaction score (above 3)	90%	93%
% of Plan delivered	74%*	65%
% of draft reports completed within 10 days of finishing fieldwork	90%	92%
Periodic reports on progress	Each Audit Committee	Achieved
Preparation of Annual Plan	By April	Quarter 4 assessment
Preparation of Annual Report (previous year)	Prior to A.G.S.	Achieved
Staff with professional qualifications	70%	75%
Staff development days	5 days	Quarter 4 assessment

* Quarter 3 target equated as 95% of quarter 1, 2 and 3 activity

Appendix E: Quarter 3, 2013-14: Priority 1 Recommendations due

Code to ratings:

Shading	Rating	Explanation
	Implemented	The recommendation that had previously been raised as a priority one has been reviewed and was considered implemented.
	Partly Implemented	Aspects of the priority one recommendation had been implemented however not considered implemented in full.
	Not Implemented	There had been no progress made in implementing this priority one recommendation.

Audit Title, Issue and Date	Recommendation	Management Response	Responsible Officer	Deadline	Audit Assessment January 2014
<p>1. Asset Management (Rent Review), June 2013</p> <p>Data Quality</p> <p><u>System update</u></p> <p>The Property Support Officer indicated that valuers were required to independently check the input of rent review data to the Access system, including the next rent review date. There was however no evidence of such input and independent check.</p> <p>We tested 18 Delegated Power Reports (DPR's) outlining approved rents and agreed those rents, next review date and last review date to the system to ensure the correct input of rent review outcome details. Of the 18 tested, we noted 4 exceptions, 3 relating to incorrect last review and next rent review dates and one relating to the input of a new rent uplift figure which had not been applied in SAP owing to the invoice being disputed and cancelled. The system had not been corrected to reflect the previous rent.</p> <p><u>System limitation for ensuring data quality</u></p> <p>Further, the system was not tailored to fully support the automated rejection of inaccurate data input. For instance, we</p>	<p>A quality assurance framework to ensure data is processed accurately and timely should be implemented, for example a process:</p> <ul style="list-style-type: none"> - to evidence the input and independent check of rent review DPR detail to the system and - to evidence independent review of DPR back rent calculations and DPR rent and back rent upload to SAP. The process for comparing SAP and system generated reports for comparison of rents in SAP and the system and the investigation of discrepancies should be undertaken periodically. <p>The quality assurance framework should include the independent quality review of rent review delivery by officers to ensure that rent review outcomes are correct and completed within</p>	<p>Agreed. A process will be developed which positively validates that the data entry has taken place and that it is a proper record.</p>	<p>Head of Estates</p>	<p>End August 2013</p>	<p>Implemented</p> <p>Controls to ensure the accurate and timely processing of rent review data in the Property Database and SAP are now in place.</p>

Audit Title, Issue and Date	Recommendation	Management Response	Responsible Officer	Deadline	Audit Assessment January 2014
<p>noted that a date input as 31/6/2010 was accepted and converted to 10/6/1931 when it should have been rejected.</p> <p><u>SAP update</u></p> <p>The officer responsible for updating SAP with rent review outcomes confirmed that there were no independent review/reconciliation processes to ensure that rents and back rents associated with completed rent review cases had been correctly input to SAP on a timely basis.</p> <p>We tested 16 DPR's to SAP to ensure the accurate input of rent uplifts and back rent to SAP. Of the 16 tested, we noted 8 instances where the back rent differed from the approved DPR. There were 2 instances where the back rent and in one instance where the rent uplift in the completed DPR's had not been input to SAP.</p> <p><u>Progress monitoring data</u></p> <p>In addition, for rent review cases allocated for completion, we noted an allocated case which did not appear on the allocation schedule and noted that the date of allocation was not consistently recorded on the allocation schedule to optimise progress monitoring.</p>	<p>acceptable timeframes in line with case complexity.</p> <p>Note: The quality assurance framework need not review each case but should involve the review of a sample of cases in line with the risks.</p>				

Audit Title, Issue and Date	Recommendation	Management Response	Responsible Officer	Deadline	Audit Assessment January 2014
<p>We tested 10 cases due for review between 01/01/2012 to 31/03/2012 to ensure that they had been allocated. Of 10 cases tested as due for rent review, 3 had been allocated. Of the 3 allocated, 1 was not recorded on the "Case List" to facilitate monitoring. For the 2 cases allocated and recorded, the date of allocation was not recorded to optimise progress monitoring.</p> <p><u>Quality assurance of valuer delivery</u></p> <p>In addition, we established that there were no internal arrangements to specifically quality assure rent review cases completed by officers to ensure that rent review processes, and negotiations were undertaken correctly and promptly.</p>					

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<p>2. Records Management (Children's Service), March 2013</p> <p>Access to Shared folders with personal information</p> <p>We established that access to SEN Performance and Education Psychology electronic folders containing personal data was not restricted to the appropriate officers. Management confirmed that 52 of 98 officers who had access to the relevant electronic folders should not have had access. Management confirmed that there was no process to review access controls to ensure that access was appropriate.</p> <p>The practice was not in compliance with the Information Security Policy which referred to the use of access controls to protect information assets.</p> <p>In addition, it was not clear whether the functionality of the current system rendered these spreadsheets necessary.</p> <p>Teams maintain spreadsheets</p>	<p>Management should undertake periodic reviews of officers who have access to their electronic folders to ensure compliance with Information Governance policies.</p> <p>There should be a review of spreadsheets to ensure that those in use are necessary and compliment, rather than hinder, the current records management processes.</p> <p>A policy or procedure governing spreadsheet security should be developed and communicated to all teams. The policy should refer to following a risk based approach for decisions on how and whether to secure spreadsheets and should state the mechanisms for restricting access to or preventing the update of spreadsheets in line with identified risks.</p>	<p>Agreed. Access could be reviewed against records of staff with access which could be provided.</p> <p>Initiatives to increase the use of Tribal as a system for capturing information centrally are being considered. This should minimise duplication of information and the use of alternate local systems for recording information, facilitate the efficient retrieval of all relevant data and the efficient update of records. The Corporate Commissioning Council will need to be engaged in related decisions on initiatives.</p>	<p>Interim Assistant Director, Partnerships and Transformation</p>	<p>June 2013</p>	<p>Implemented</p> <p>Arrangements to ensure the careful and considered use of spread sheets was implemented and reported to the Audit Committee in October 2013.</p> <p>Management had completed the shared folder access reviews for the Special Education Team (SEN) and Education Psychology Team (EPT) for reporting to the January 2014 Audit Committee.</p> <p>Progress on the full implementation of Tribal will be reported to the July 2014 Audit Committee in line with the 30 June 2014 implementation deadline.</p>

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<p>with personal data to support the current IT systems in use. Spreadsheet owners adopted different approaches to securing spreadsheets, some relying only on restricted access to the electronic folders in which the spreadsheets were saved and some had password protected spreadsheets. There was no policy on securing spreadsheets, or understanding the need for them, to ensure that a consistent approach was adopted across the Service.</p>					
<p>3. Records Management (Children's Service), March 2013</p> <p>Duplicate data held across teams / inconsistent and inaccurate data for a child held across teams</p> <p>We identified 2 instances where communicated changes to SEN records had not been updated in Tribal demonstrating the need for the introduction of compliance reviews.</p> <p>Management in the Education Psychology Team and SEN Performance team indicated that identified changes to</p>	<p>A record change control process should be implemented which should involve capturing change to records centrally for communication across systems and teams.</p>	<p>Agreed. Initiatives to increase the use of Tribal as a system for capturing information centrally are being considered. This should minimise duplication of information and the use of alternate local systems for recording information, facilitate the efficient retrieval of all relevant data and the efficient update of records.</p>	<p>Interim Assistant Director, Partnerships and Transformation</p>	<p>September 2013</p>	<p>Implemented</p> <p>For reporting to the January 2014 Audit Committee, the initiative to implement read only access in Tribal to key officers had started as agreed.</p> <p>Officers in the Education Psychology Team and MASH team had been given read only access to child details in Tribal to facilitate the update, where necessary, of related data such as address and contact details.</p>

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<p>personal data would be updated across all systems in their team and in other systems where there was a known involvement with the child. However there were no arrangements for teams to capture changes centrally for monitoring whether changes had been updated in their systems and for the communication of such changes to other teams for update in their system, where applicable. For instance, we found inconsistent address and contact detail information for 10 of 17 records for Children held by SEN Performance Team in Tribal and held by Education Psychology Team.</p>		<p>The Corporate Commissioning Council will need to be engaged in related decisions on initiatives.</p>			<p>Progress on the full implementation of Tribal would be reported to the July 2014 Audit Committee in line with the 30 June 2014 implementation deadline.</p>
<p>4. Records Management (Children's Service), March 2013</p> <p>Records retention and destruction</p> <p>While arrangements existed and were followed to identify SEN paper records for destruction, responsible officers in the Education Psychology Team and SEN Performance Team indicated that there was no process for independently</p>	<p>Arrangements should be implemented for reconciling physical records for destruction in the archive to related theoretical records in the administration teams.</p> <p>Arrangements to communicate records destroyed across teams should be implemented to ensure that all relevant records for a client are destroyed simultaneously.</p>	<p>Agreed. This area would be addressed by the Children's Service Information Manager in a new role being agreed currently.</p>	<p>Children's Service Information Manager</p>	<p>September 2013</p>	<p>Implemented</p> <p>A Records Retention and Destruction procedure document was developed for implementation.</p> <p>Reconciliation and destruction of files will commence in April 2018 (35 years after the first statements were issued in 1983) in line with the Council's Records and</p>

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<p>reconciling individual records that were scheduled to be destroyed to schedules of records available in the team.</p> <p>There were also no arrangements to ensure that records for the same child across teams and across the forms available (paper, electronic records and spreadsheets) were destroyed at the same time, where applicable.</p>					<p>Retention Policy of 35 years from case closure.</p> <p>The procedure defined the process for ensuring that files due for destruction were reconciled to the theoretical record prior to their destruction.</p> <p>The procedure defined the process for ensuring that Education Psychology Team (EPT) and Special Education Needs (SEN) team records were combined into one file to ensure that all records were destroyed simultaneously.</p>
<p>5. Records Management (Children's Service), March 2013</p> <p>Records retention and disposal processes:</p> <ul style="list-style-type: none"> - had not been implemented to identify expired records in Tribal. - were not implemented in line with Council policy for SEN records. The 	<p>Management should determine and communicate the correct retention period for SEN records for inclusion in the Council's Records Retention and Disposal Policy.</p> <p>Records retention and destruction processes for electronic and paper records should be correctly and consistently followed in line</p>	<p>Agreed. This area would be addressed by the Children's Service Information Manager in a new role being agreed currently.</p> <p>Children's Service management had not been consulted on the retention</p>	<p>Children's Information Manager</p>	<p>September 2013</p>	<p>Implemented</p> <p>The retention period as stated in the Council's Records Retention and Disposal Policy of 35 years from case closure was accepted by Management and reported to the October 2013 Audit Committee.</p>

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<p>Council's Records Retention and Disposal policy referred to the destruction of records 35 years from closure not 35 years from date of birth applied by the Council.</p> <ul style="list-style-type: none"> - resulted in the archiving of records in the incorrect year resulting in destruction after expiry and inconsistent dates of destruction between teams. 	<p>with the Council's policy for retention and disposal.</p>	<p>period included in the Council's Records Retention and Disposal policy. The correct retention period would need to be confirmed and updated in the retention guidelines as necessary.</p>			<p>A Records Retention and Destruction procedure document was developed for implementation.</p> <p>Reconciliation and destruction of files will commence in April 2018 (35 years after the first statements were issued in 1983) in line with the Council's Records and Retention Policy of 35 years from case closure.</p> <p>The procedure defined:</p> <ul style="list-style-type: none"> - the requirements for Education Psychology Team (EPT) and Special Education Needs (SEN) file <u>closure</u>, informing archiving and ultimate destruction. - the requirement for engagement between the Education Psychology Team (EPT) and the Special Education Needs (SEN) team, where necessary, to ensure the combining of paper and electronic files into a single file for the consistent and

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					simultaneous archiving and ultimately destruction of related SEN and EPT records.
<p>6. Planning Planning Service Performance (October 2013)</p> <p>Audit trails were not available from the Accolade system to support the outturn reported in the Planning Service Recovery Plan (regarding planning application backlog figures and the speed of decision making PI). Management confirmed that these were extracted from Accolade but that related reports were not retained. The Data Quality Policy states that clear and complete audit trails should be maintained to demonstrate accuracy of all data.</p> <p>Business support officers confirmed that sample checks of planning files to Accolade for accuracy of processing had been undertaken in the past. However evidence of such audits was not retained for</p>	<p>Audit trails supporting reported figures and controls to ensure the accuracy and completeness of related system data should be retained for inspection in line with the Data Quality Policy.</p>	<p>Data Quality training and development needs will be assessed for officers involved in the management/reporting of Planning performance data. Officers will undertake training /development initiatives, where applicable, to ensure that they are familiar with the Council's Data Quality principles and consider them on an on-going basis in their day to day work.</p> <p>Note: This may be achieved through formal training courses, confirmation that officers have</p>	<p>Systems Support Manager (DRS)</p>	<p>1 December 2013</p>	<p>Implemented</p> <p>The relevant Planning officers have undertaken the necessary data quality training and development.</p> <p>Audit trails supporting planning performance data were maintained for referral.</p>

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<p>inspection.</p> <p>Business support officers also indicated that exception reporting was undertaken to identify missing data, such as planning application class and decision dispatch dates, to ensure the completeness and accuracy of quarterly statutory reporting to the Department for Communities and Local Government. However evidence of such checks was not retained for inspection.</p>		<p>reviewed and understand the Data Quality Policy content or liaison with the Information Management team on how best to address identified developmental needs.</p> <p>Audit trails supporting key Planning data and information reported, for example, key performance indicator (KPI) or performance indicator (PI) outturn from Accolade, will be retained for referral.</p>	<p>Systems Support Manager (DRS)</p>	<p>Immediately</p>	