SIAS
Shared Internal Audit Service
Hertfordshire in Partnership

Hertfordshire County Council
Internal Audit Progress Report
23 September 2016

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report
- Agree changes to the audit plan
- Agree to the removal of high priority actions now complete

Contents

1.   Introduction and Background

<u>Purpose of Report</u>

1.1   To provide Members with information on the position as at 30 August 2016, relating to:

a)   Progress made by the Shared Internal Audit Service (SIAS) in delivering the Hertfordshire County Council (HCC) Internal Audit Plan for 2016/17

b)   Proposed amendments to the approved 2016/17 Audit Plan

c)   'Limited Assurance' audits issued since the last meeting of this Committee.

d)   Implementation status of previously agreed:

- high priority audit recommendations and agreement to remove completed actions; and
- medium priority recommendations

e)   An update on performance management information.

<u>Background</u>

1.2   The 2016/17 HCC Audit Plan was approved by the Audit Committee on 23 March 2016.

1.3   The Audit Committee receives periodic progress updates against the Internal Audit Plan, the most recent of which was brought to the meeting of 21 June 2016.

1.4   The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance, and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.

2.   Audit Plan Update

<u>Delivery of Audit Plan and Key Audit Findings</u>

2.1   As at 30 August 2016, 33% of the 2016/17 Internal Audit Plan days had been delivered (calculation excludes unused contingency days). Appendix A provides a status update on each individual deliverable within the audit plan.

2.2 The following reports have been issued and assignments undertaken in the period since 23 May 2016:

Audit Title	Assurance Level	Number of Recommendations
Resources		
Mobile Technology	Moderate	1 Medium 1 Merits Attention
Creditors (2015/16)	Substantial	4 Medium
Community Protection		
Resilience	Substantial	No Recommendations
HFRS - Health and Safety	Substantial	1 Medium 2 Merits Attention
Environment		
Valuation of Transport Infrastructure Assets	Substantial	5 Medium 2 Merits Attention
Highways Contract – Governance, Performance & Contract Management	Moderate	1 High 5 Medium 1 Merits Attention
Health and Community Services		
Financial Assessments	Substantial	2 Medium 2 Merits Attention
Better Care Fund – Performance and Financial Monitoring	Substantial	2 Medium 1 Merits Attention
Continuing Health Care Panel Processes	Moderate	3 Medium 1 Merits Attention
HCS Client Finances - Establishment Visits 2015-16 (Consolidated Report)	Moderate	7 Medium 1 Merits Attention
Children's Services		
Non-Attendance at School	Substantial	1 Medium

Audit Title	Assurance Level	Number of Recommendations
		1 Merits Attention
Other Completed Projects		
Carbon Reduction Commitment	Unqualified Opinion	Audit of Environment Agency Return
Local Growth Fund	Unqualified Opinion	Grant Certification
Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance)	Unqualified Opinion	Grant Certification

2.3   In addition to the above, the following draft reports have been issued to management for comment and response:

- Special Educational Needs Strategy
- Management of Empty Properties
- Carers Direct Payments

2.4   Other audits within the 2016/17 plan continue to be progressed in line with the agreed plan, with 10 audits currently in fieldwork and a further 17 audits at planning or Terms of Reference stage. In respect of the Council's Key Financial Systems Audits, early planning has commenced to ensure that these will be delivered to assist in the early closure of accounts. Whilst fieldwork will not commence until November, all Terms of References for these reviews have been issued to management for comment / approval.

2.5   In respect of the completion of the 2015/16 audit plan one audit still remains open, this being the audit of the Special Educational Needs Strategy. The audit is currently at draft report stage, with management finalising an action plan in response to the draft audit report.

Schools' Audit Activity

2.6   The schools' audit plan for 2016/17 identified three streams of activity:

a)   **Theme 1** - Assessment of the effectiveness of internal control in relation to the requirements of the Schools Financial Value Standard (SFVS) – Sample of 19 schools

b)   **Theme 2** – Safe Recruitment – Sample of 18 schools to be visited to test compliance with safe recruitment regulations and good practice

c) **Theme 3** – Financial Planning – Sample of 17 schools to be visited to review effectiveness of financial planning - this review will include the area of early years.

2.7 In respect of theme 1, visits to the sampled schools have now been completed and all schools were issued with a draft report by the close of the Summer Term. Fourteen of these reports have now been finalised, with management action plans in response to the outstanding draft reports currently being followed up to allow finalisation.

2.8 Summary reports in relation to the Budget Management and Control and Income themes from the 2015/16 plan have now been completed and issued to Senior Management within Children's Services. The final version of these reports will be shared with all Hertfordshire schools, via the Hertfordshire Grid.

2.9 Planning in relation to the audit of Safe Recruitment in Schools (theme 2) is currently in progress with audit visits due to be undertaken and completed during the autumn term.

2.10 We continue to receive enquiries from schools regarding a range of financial matters and update the Frequently Asked Questions within the Internal Audit page on the Grid accordingly.

Proposed Audit Plan Amendments

2.11 Proposed amendments to the 2016/17 Internal Audit Plan and the reasons for these are set out below:

Fuel Cards

2.12 The use of Fuel Cards was agreed as a key assurance activity within the 16/17 audit plan coverage for Hertfordshire Business Services (HBS). During the initial audit planning it has been identified that Hertfordshire Equipment Service (HES) moved from HBS portfolio of services to Health and Community Services during 2015/16. Given that this is a recent change the audit has been extended from 10 days to 15 days to ensure that assurance over the robustness of internal control arrangements can be provided for both of these key users of the Fuel Card system.

Grant Activity

2.13 The Council's audit plan includes an allocation for SIAS certification or assurance work in relation to grants received by the Council, with such certification generally being a requirement within grant terms and conditions. Following review of the initial list of grants available at the time of creating the audit plan, it has been identified that several of the certification activities are no longer required (with the budget being

returned to grants contingency). Accounting for these changes, and taking into account new grants identified, the contingency budget for this area now stands at 16 days.

Budget Monitors – Outturn Projections

2.14 At the request of the Director of Resources, an audit has been introduced to the approved plan to provide assurance over the robustness of processes to support outturn projections on budget monitors. The Terms of Reference for this audit is currently with management for approval. An initial budget of eight days has been allocated from contingency for this review.

ICT Systems Rationalisation

2.15 Within the audit plan coverage for Resources a review had been included on the ICT systems rationalisation project. Following discussions with the Assistant Director Improvement and Technology, it has been confirmed that sufficient alternative assurance exists over the progress of this project, therefore separate independent assurance is no longer required. This audit has now been cancelled with the allocation returned to the HCC contingency budget.

Schools Plan

2.16 Adjustments have been made to the approved schools' audit plan to provide additional capacity to respond to ad-hoc assurance requests arising during the year. These include assurance activities in relation to schools converting to Academy status and reviews of those in financial difficulty. In order to provide such capacity the number of schools visited in theme 1 (SFVS) was reduced from 25 to 19 schools.

Other Changes

2.17 Additional minor changes have been made to the audit plan in order to reflect changes of 1 day or less, where original planned items are no longer required, or new activities have emerged. Taking into account all changes the HCC contingency budget now stands at 68.5 days.

Limited Assurance Audits

2.18 Since the previous progress report no Limited Assurance opinions have been provided by SIAS.

High Priority Recommendations

2.19 Members will be aware that a final audit report is issued when it has been agreed by management; this includes an agreement to implement the recommendations made. It is Internal Audit's responsibility to advise Members of progress on implementation of high priority

recommendations; it is the responsibility of Officers to implement the recommendations by the agreed date.

2.20 An update on progress with implementing high priority recommendations is shown at Appendix B. Progress is summarised in the table below:

HIGH PRIORITY RECOMMENDATIONS				Not implemented by Due Date	
Total Number of Outstanding Recommendations at the start of this Follow Up Period	Implemented	Not Yet Due	No Longer Applicable	Partially Implemented – Revised Date Agreed	No Update Provided by Action Owner
7	4	0	0	3	0
%	57%	0%	0%	43%	0%

2.21 High priority recommendations relating to schools are excluded from this listing, based upon both the volume of schools within the County and the relative risk of any single recommendation to the Authority as a whole.

2.22 Further details on the implementation status of the above management actions are provided within Appendix B of this progress report.

2.23 One new high priority recommendation has been made since our previous progress report to the Committee, this being in relation to the audit of the Governance, Performance and Contract Management arrangements for the Highways Contract. The recommendation related strengthening the visibility and robustness of contract risk management arrangements. We have confirmed that the required improvements are now in place and therefore this recommendation is now assessed as implemented. Further details of the recommendation and management updates are provided within Appendix B of this report.

Medium Priority Recommendations

2.24 The Committee's role in respect of medium priority recommendations is to be satisfied that there is a monitoring process in place and that, in general, agreed recommendations are being implemented.

2.25 The following table details the implementation status of medium priority recommendations that were due for implementation in the period since the last progress report.

MEDIUM PRIORITY RECOMMENDATIONS			Not implemented by Due Date	
Total Number of Recommendations Followed Up in this Period	Implemented	Original agreed action under review by Management	Partially Implemented – Revised Date Agreed	No Update Provided by Action Owner
32	18	0	14	0
%	56%	0%	44%	0%

Performance Management

2.26   Annual performance indicators and associated targets are approved by the SIAS Board on an annual basis.

2.27   The actual performance for HCC against the targets that can be monitored in year is set out in the table below.

Performance Indicator	Performance Target for 31 March 2017	Profiled performance at August 2016	Actual to 30 August 2016
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excludes unused contingency)	95%	38%	33%
2. Planned Projects * – percentage of actual completed projects to draft report stage against planned completed projects	95%	35%	31%
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level	100%	100%	100%**
4. Number of High Priority Audit Recommendations agreed as %	95%	95%	100%

* Based on audit plan 'deliverables' at draft, final and audit closed stage including schools audits and items carried forward from 2015/16 that were not at draft report stage by 31 March 2016.

** Five completed customer satisfaction surveys have been received during 2016/17.

2.28 In addition, the performance targets listed below are annual in nature; Members will be updated on the performance against these targets within the separate Head of Assurance's Annual Report:

- **5. External Auditors' Satisfaction** – the Annual Audit Letter should indicate that external audit has drawn assurance from the work of internal audit on relevant matters

- **6. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee. If there is no March meeting then the plan should be prepared for the first meeting of the financial year.

- **7. Head of Assurance's Annual Report** – presented at the June meeting of the Audit Committee.

SIAS Audit Plan 2016/17

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Corporate								
Annual Governance Statement 2015-16	N/A				8	SIAS	8	Complete
Annual Governance Statement 2016-17	N/A				3	SIAS		Allocated
Head of Assurance Annual Opinion and Annual Report	N/A				5	SIAS	5	Complete
Whistleblowing - named contact and quarterly review	N/A				4	SIAS		Through Year
Resources: Finance								
Pensions – Administration					30	SIAS	1	TOR Issued
Payroll					25	SIAS	1	TOR Issued
Debtors					25	SIAS	1	TOR Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Creditors					25	SIAS	1	TOR Issued
General Ledger					20	SIAS	0.5	TOR Issued
Treasury Management					15	SIAS	1	TOR Issued
e-Income (suppliers' payments)					10	BDO		Allocated
Feeder Systems (for EY Assurance)					10	SIAS	4	TOR Issued
E-Monitor Process -Consistency of Approach					8	SIAS	0.5	TOR Issued
Resources: Procurement and Performance								
Framework Contracts					15	BDO	6.5	In Fieldwork
Resources: Property								
Asbestos Management					15	SIAS		Allocated
Carbon Reduction Commitment	N/a	0	0	0	15	SIAS	15	Final Report Issued

APPENDIX A   PROGRESS AGAINST THE 2016-17 AUDIT PLAN AS AT 30 AUGUST 2016

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Leasehold Income					15	SIAS		Allocated
Management of Empty Properties					15	SIAS	14	In Quality Review
Resources: Technology								
ICT Support Process and Helpdesk					15	SIAS	5	In Fieldwork
Systems rationalisation	N/a				0	N/a		Cancelled
Intranet					15	SIAS		Allocated
Social Media					15	SIAS		Allocated
Resources: Business Intelligence								
Data Retention					20	BDO		Allocated
Resources: Human Resources								

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
		H	M	MA				
Training Records					15	SIAS		Allocated
Employment Status Checks					10	SIAS		Allocated
Resources: Legal, Democratic & Statutory Services								
Coroner's Service					15	SIAS	9.5	In Fieldwork
Resources Queries <3hrs Activities	N/A				5	N/A	5	Through Year
HBS								
Stock Control					15	BDO		Allocated
Fuel Cards					15	SIAS	11	In Fieldwork
Cross-Cutting Reviews								

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Contract Management					25	BDO		Allocated
Business Cases and Benefits Realisation					25	BDO		Allocated
Health & Community Services								
Residential Invoicing					15	SIAS		Allocated
Financial Assessments	Substantial	0	2	2	15	SIAS	15	Final Report Issued
Statutory Returns					15	BDO		Allocated
Homecare					15	BDO	6	In Fieldwork
Carers Direct Payments					15	SIAS	14.5	Draft Report Issued
Better Care Fund					15	BDO		Allocated
Pre-Paid Cards					10	SIAS	1.5	In Planning
Voluntary Sector Contracts / Grants					10	SIAS	1	In Planning
Client Finances - Establishment Visits					30	SIAS		In Planning

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Learning Disability - Panel Processes					10	BDO		In Planning
H & CS Queries < 3hrs Activities	N/A				10	N/A	3	Through Year
Environment Services - Transport								
Home to School and Social Care transport (Safeguarding)					20	SIAS	1	In Planning
Environment Services – Highways								
Ringway Contract – Sector Specific Improvements					20	SIAS	3	In Planning
Category One - 'Triage' Approach					15	SIAS	5.5	In Fieldwork
Redesign of the Highways Service					20	SIAS	2.5	In Planning
Customer Enquiries and Complaints					15	SIAS	2	In Planning
Valuation of Transport Infrastructure Assets	Substantial	0	5	2	15	SIAS	15	Final Report Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Programme management					20	BDO		Allocated
Business Continuity					20	BDO		Allocated
ECS Queries <3hrs activities	N/A				5		2.5	Through Year
Children's Services								
Data Quality					15	BDO		Allocated
Ofsted Action plan progress					10	SIAS		Allocated
Foster Carer Recruitment and Retention					15	SIAS	6.5	In Fieldwork
Controcc – Foster Carer Payments					10	SIAS		Allocated
Unaccompanied Minors and no Recourse to Public Funds					15	SIAS	5	In Fieldwork
Extended Entitlement to Free Childcare					15	SIAS	0.5	In Planning
Children's services establishments					20	SIAS	6.5	TOR Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Section 17 Payments					10	SIAS	9	In Fieldwork
CS Queries <3hrs Activities	N/A				10	SIAS	5	Through Year
Public Health								
Budget Setting and Budgetary Control					15	SIAS		Allocated
Community Protection								
Resilience	Substantial	0	0	0	15	SIAS	15	Final Report Issued
Volunteering					10	SIAS	1	In Planning
Shared Learning								
Shared Learning Newsletters and Summary Themed Reports	N/A				5	SIAS	0.5	Through Year
Joint Review 1 - Delivery of the	N/A				2.5	SIAS	2	In Planning

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
PREVENT agenda								
Joint Review 2 - Trading Activities	N/A				2.5	SIAS		In Planning
Contingencies								
HCC Contingency	N/A				68.5	N/A		Through Year
Grant Claims								
Herts Chief Finance Officers Society	Not Assessed	0	0	0	1	SIAS	1	Final Certification Issued
Hertfordshire Education Foundation					2	SIAS		Allocated
Hertfordshire Charity for Deprived Children	Not Assessed	0	0	0	1	SIAS	1	Final Certification Issued
Autism Grant					2	SIAS	1	Allocated
Integrated and Structural Maintenance Grant	Not Assessed	0	0	0	3		3	Final Certification Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
LEP – Local Growth Fund	Not Assessed	0	0	0	5		5	Final Certification Issued
Grants Contingency					16	SIAS		Through Year
Other Chargeable								
Monitoring 16/17 Plan	N/A				30	SIAS	15	Through Year
Recommendations Follow-Up - Q1	N/A				5	SIAS	5	Complete
Recommendations Follow-Up - Q2	N/A				5	SIAS	5	Complete
Recommendations Follow-Up - Q3	N/A				5	SIAS		Not Yet Allocated
Recommendations Follow-Up - Q4	N/A				5	SIAS		Not Yet Allocated
Client Liaison	N/A				10	SIAS	5	Through Year
Audit Committee Matters & Attendance	N/A				20	SIAS	8	Through Year
Audit Planning - 17/18	N/A				30	SIAS		In Planning
Performance Data	N/A				3	SIAS	2	Through Year

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
External Audit Liaison	N/A				2	SIAS	1	Through Year
Service Plan Activity	N/A				40	SIAS	17	Through Year
SIAS Board Meetings and Preparation	N/A				10	SIAS	5.5	Through Year
Management of Scrutiny	N/A				5	SIAS	3	Through Year
Management of Health & Safety	N/A				5	SIAS	3	Through Year
Management of Shared Anti Fraud Service	N/A				5	SIAS	4	Through Year
Management of Risk Management and Insurance	N/A				5	SIAS	2.5	Through Year
Public Sector Internal Audit - Self Assessment 16-17	N/A				10	SIAS	1	Allocated
15-16 Projects requiring finalisation					65.5		62	
Payroll	Substantial	0	1	1		BDO		Final Report Issued
Debtors	Substantial	0	1	2		BDO		Final Report Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Treasury Management	Substantial	0	0	2		BDO		Final Report Issued
Business Rates Pooling / Collection	Substantial	0	0	2		BDO		Final Report Issued
EU Procurement Rules	Substantial	0	0	2		SIAS		Final Report Issued
Contract Payments – Resources	Substantial	0	0	1		SIAS		Final Report Issued
Support at Home	Moderate	0	2	3		BDO		Final Report Issued
Licensed Deficits	Substantial	0	0	1		SIAS		Final Report Issued
Music Service	Substantial	0	0	1		SIAS		Final Report Issued
Local Enterprise Partnership - compliance with the assurance framework	Substantial	0	2	2		SIAS		Final Report Issued
Mobile Technology - security of new arrangements	Moderate	0	1	1		BDO		Final Report Issued
Client Finances - visits to establishments	Moderate	0	7	1		SIAS		Final Report Issued
Highways Contract - Governance, Performance, Contract Management	Moderate	1	5	1		SIAS		Final Report Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Creditors	Substantial	0	4	0		BDO		Final Report Issued
15-16 Projects requiring completion								
Health and Safety - Community Protection	Substantial	0	1	2		SIAS		Final Report Issued
Non Attendance at School	Substantial	0	1	1		SIAS		Final Report Issued
Continuing Health Care - Panel Process	Moderate	0	3	1		BDO		Final Report Issued
Transport, Access and Safety - Taxi Procurement - Anti Bribery Controls						SIAS		In Planning
Better Care Fund - Performance and Financial Monitoring	Substantial	0	2	1		BDO		Final Report Issued
Special Educational Needs and Disability - meeting statutory requirements						SIAS		Draft Report Issued
Highways Operating Procedures						SIAS		Audit Cancelled

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Schools								
Theme 1 - SFVS	N/A				86	SIAS	77.5	Visits Completed
Theme 2 - Safe Recruitment					70	SIAS	4.5	In Planning
Theme 3 - Financial Planning					68	SIAS		Allocated
Reporting 15/16 themes					10	SIAS	8.5	Draft Reports Issued
Follow up schools with high priority recs or moderate assurance	N/A				15	SIAS	3.5	Through Year
Pre-Academy Assurance Visits	N/A				8	SIAS	8	Complete
SFVS Returns Collation	N/A				13	SIAS	6	Through Year
Advice, queries and guidance for schools	N/A				31	SIAS	11	Through Year
Liaison, awareness raising and training & plan monitoring	N/A				25	SIAS	16.5	Through Year
2015/16 Schools Completion	N/A				1	SIAS	1	Complete

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Contingency	N/A				18	N/A		Through Year

Total		1	37	29	1637		499	

Key

H = High Priority
M = Medium Priority
MA = Merits Attention
RECS = Recommendation
BDO = new audit partner, replacing PWC from 1 April 2015
N/A = not applicable

No.	Report Title / Date of Issue	Recommendation / Original Management Response	Responsible Officer / Due Date	Management Comment as at 30 August 2016 (previous commentary added where appropriate)	Status of Progress
1	**CLA Financial Administration** (Final Report Issued June 2014)	**Recommendation** There should be annual review of a child's financial position in order to ensure that all opportunities relating to maximisation of funds have been pursued, and to demonstrate that a child has had all funds to which they are entitled. **Management Response** **First review to consider whether child is in care due to abuse and whether social workers should be applying for criminal injuries compensation. Guidance to be produced to assist social workers.**	**Marion Ingram, Operations Director Specialist Services** January 2015	The Criminal Injuries Compensation Awards Policy has now been completed and is awaiting authorisation. Once authorised the policy will be launched across Children's Services and will include a practice guidance note and implementation training. Specific training will be targeted at the IRO service given their oversight role. In addition, an audit will be undertaken of all children looked after cases to identify if a CICA application has been made, or should be made and to ascertain if the child has any financial assets or savings that may need consideration and may impact on their benefit entitlement on ceasing to be looked after. The Trust Panel Arrangements Meeting provides a setting for assessing how any financial trust/asset will impact on the child's benefit entitlement and how the asset should be managed to maximum effect. The yearly financial statement (produced by Brokerage & sent to the social worker) of a child's financial position will enable future planning with regard to maximising the child's assets/benefits and will also identify if the £6000.00 threshold for a Trust Panel Arrangements meeting has been reached. CICA Policy role out and implementation from September 2016.	**Partially Implemented** **Revised Target Date - end of September 2016**

No.	Report Title / Date of Issue	Recommendation / Original Management Response	Responsible Officer / Due Date	Management Comment as at 30 August 2016 (previous commentary added where appropriate)	Status of Progress
2	**HCC Service User Managed Monies** (Final Report Issued February 2015)	**Recommendation** • All existing service users that are not currently managed under Appointeeship or Deputyship should be reviewed to ensure that HCC have the appropriate level of authority based on the level of support being provided. • For instances where significant levels of support are provided, appointeeships or deputyships should be used in all cases. If there are subsequent anomalies, these should be fully documented, approved by Senior Management and recorded on the Service User's file. **Management Response** **The review of the area of appointeeships and deputyships will form a specific workstream of this project.** **A key area of review will be determining the responsibilities of HCC within this area from both a legal and regulatory basis. If it is confirmed that appointeeships and deputyships should be used more widely a full review of existing service users will be undertaken.** **The project will also review how the existing scheme of delegation for approving expenditure for service users ensures that decision making is appropriate to the service user's needs, i.e. decision making is undertaken by those individuals that know the client best.**	**Sue Darker, Operations Director LD&MH. / Ann Norway, Acting Head of Business Improvement (HCS)** 30 September 2015	Update as of end July 2016:- out of total of 336 tenants ,163 manage their own finances , 58 are being assessed, 47 are subject to an application for appointeeship /deputeeship and 84 now have appointeeship /deputyship	**Partially Implemented** **Revised Target Date - December 2016**

APPENDIX B   IMPLEMENTATION STATUS OF HIGH PRIORITY RECOMMENDATIONS

No.	Report Title / Date of Issue	Recommendation / Original Management Response	Responsible Officer / Due Date	Management Comment as at 30 August 2016 (previous commentary added where appropriate)	Status of Progress
3	**Children's Services Commissioning – Contract Monitoring (Safeguarding)** (Final Report Issued July 2015)	**Recommendation** CS develop systems to provide senior management with assurance that all providers are being appropriately monitored in respect of the delivery of their safeguarding obligations. **Management Response** **Improving Outcomes team to expand risk log to include all commissioned providers across the Children's Service.** **Newly formed Strategic Commissioning Groups/Performance and Planning Groups to hold oversight of this risk log, and to review it as a standing item at all meetings.** **Summary of Risk Log following SCG/PPG review to go as standing item at an agreed interval to CS Core Board.** **(Operations Director Specialist Services)**	**Head of Improving Outcomes and Steve Marshman, Deputy Head - CS Joint Commissioning** November 2015 November 2015 January 2016	Performance and Planning Groups have been established across the service (renamed Commissioning Programme Group meetings). The requirement to hold oversight of monitoring is a feature of terms of reference. Monitoring approach agreed and new approach underway, including Special Schools.	**Implemented**
4	**Officer Expenses** (Final Report Issued October 2015)	**Recommendation** The level of in-built preventative controls within ESS to avoid instances of missing receipts should be reviewed. Where system capability allows, ESS should automatically reject mileage or expenses claims where receipts are not attached to the	**Actions relating to systems & payroll processes - Rachel Wilson, HR Manager - HR**	Further communications planned in October 2016 to coincide with the SAP System changes. The HR Work plan has been amended to include issuing of communications every 6 months.	**Partially Implemented** **Revised Target Date - end of**

No.	Report Title / Date of Issue	Recommendation / Original Management Response	Responsible Officer / Due Date	Management Comment as at 30 August 2016 (previous commentary added where appropriate)	Status of Progress
		electronic claim. In the meantime the following recommendations should be implemented:- • The audit findings should be highlighted in a corporate communication to both Officers and Managers, reminding both of their responsibilities under the scheme. • The existing arrangements for retaining hard copy receipts to support claims are reviewed to ensure that receipts can be more easily located. Payroll should undertake periodic sample reviews of officer and manager compliance. Feedback should be provided to HR for the purpose of identifying further actions or training required to embed expected practice. **Management Response** **Assess system capability and resource to implement a change to not allow submission of a claim without an attachment or explanation of journey.** **HR Services and Serco Payroll & HR Transactions to review existing arrangements for storing hardcopy receipts and set up sample reviews.**	**Services** **Actions relating to Communications - Emily Austin, HR Manager - Pay & Reward** December 2015 December 2015 - Note: If action 1 is feasible and introduced this process will no longer be required.	Expenses system improvements UAT complete- ahead of October 16 launch.	**October 2016**

No.	Report Title / Date of Issue	Recommendation / Original Management Response	Responsible Officer / Due Date	Management Comment as at 30 August 2016 (previous commentary added where appropriate)	Status of Progress
5	**Employment Status Checks** (Final Report Issued – March 2016)	**Recommendation** • Senior HR Managers should decide whether additional sample checks should be undertaken to provide assurance that individuals commissioned have been correctly treated as self-employed for taxation purposes. • Alternatively, HR should consider requiring ESI's to be completed and returned by contract managers / commissioning officers for all current active engagements. HR will also need to formally consider whether retrospective checks are required on engagements that have now concluded, or formally accept the risk that HMRC may identify instances of non-compliance. <u>**Management Response**</u> **Additional checks to be undertaken of all 68 named individuals on the four main consultancy codes. This will require an ESI to be provided or retrospective check undertaken if not available.**	**Emily Austin- HR Manager, Policy & Reward** 1 March 2016	All checks have now been completed.	**Implemented**

No.	Report Title / Date of Issue	Recommendation / Original Management Response	Responsible Officer / Due Date	Management Comment as at 30 August 2016 (previous commentary added where appropriate)	Status of Progress
6	**Employment Status Checks** (Final Report Issued – March 2016)	**Recommendation** The existing vendor request form should be amended to include a box to record the ESI number, or the alternative assurance obtained to confirm that the vendor is self-employed for the purpose of the engagement. In future no self-employed supplier should set up without evidence that the appropriate checks have been completed, with SERCO returning those vendor request forms that are incomplete in this respect. Consideration should also be given to creating a vendor account group for self-employed individuals to assist management reporting and potential FOI requests. **Management Response** **Investigation to be undertaken to assess feasibility of updating Vendor request form.** **Investigation to be undertaken to assess feasibility of setting up vendor account group.**	**Emily Austin- HR Manager, Policy & Reward** April 2016	The Vendor request form has now been updated.	**Implemented**

No.	Report Title / Date of Issue	Recommendation / Original Management Response	Responsible Officer / Due Date	Management Comment as at 30 August 2016 (previous commentary added where appropriate)	Status of Progress
7	**Highways Contract** **(Final Report Issued – July 2016)**	**Recommendation** Ringway be required to maintain a contract risk register and the contract risk register to be a standing item on the agenda of the Operations Board. The entries relating to the contract on the HCC Corporate Risk Register should be reviewed. **Management Response** **Although risks are being managed in the service it is acknowledged that a robust process was not in place to be able to demonstrate how risks were being reported and managed. A new process has been established whereby risks are recorded at service and contract levels which then feed into an overall highways service risk register and ultimately the Environment Department and corporate Risk Registers.** **The risk registers will be reviewed on a quarterly basis at contract management and operation meetings before being submitted to the highways senior management team for a final review. These will be documented.**	**Steve Johnson, Business Manager for Contracts and Networks** **August 2016**	Process now in place with the first full quarterly review scheduled for October 2016.	**Implemented**

Levels of assurance	
Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified.
Substantial Assurance	Whilst there is a largely sound system of control, there are some minor weaknesses, which may put a limited number of the system objectives at risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some areas of weakness, which may put some of the system objectives at risk.
Limited Assurance	There are significant weaknesses in key control areas, which put the system objectives at risk.
No Assurance	Control is weak, leaving the system open to material error or abuse.

Priority of recommendations	
High	There is a fundamental weakness, which presents material risk to the objectives and requires urgent attention by management.
Medium	There is a significant weakness, whose impact or frequency presents a risk which needs to be addressed by management.
Merits Attention	There is no significant weakness, but the finding merits attention by management.