![SIAS logo - Shared Internal Audit Service, Hertfordshire in Partnership]

Hertfordshire County Council
Internal Audit Progress Report
1 March 2017

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 6 February 2017, relating to:

   a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Hertfordshire County Council 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 of which there are none in this reporting period.

   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 Hertfordshire County Council 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 30 November 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 6 February 2017, 73% 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 5 November 2016:

Audit Title	Assurance Level	Number of Recommendations
Resources		
Management of Empty Properties	Substantial	3 Medium 2 Merits Attention
ICT Support Process and Helpdesk	Substantial	5 Medium 6 Merits Attention
Health and Community Services		
HCS Cash Handling Procedures	Moderate	1 High 6 Medium 2 Merits Attention
Children's Services		
Foster Carer Recruitment and Retention	Full	No recommendations
Environment		
Category One - 'Triage' Approach	Moderate	1 Medium 1 Merits Attention
Transport, Access and Safety - Taxi Procurement - Anti Bribery Controls Training	N/a	Training Session Delivered in February 2017

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

Service	Audit Title	Month of Issue
Resources	Pensions – Administration	February 2017
	Payroll	February 2017
	Debtors	February 2017
	Creditors	February 2017
	General Ledger	February 2017
	Feeder Systems	February 2017
	E-Monitor Process -Consistency of Approach	January 2017

	Hertfordshire Business Services – Stock Control	February 2017
Health and Community Services	Statutory Returns	February 2017
Children's Services	Controcc – Foster Carer Payments	February 2017
	Unaccompanied Minors and no Recourse to Public Funds	February 2017
Community Protection	Volunteering	January 2017

2.4 Other audits within the 2016/17 plan continue to be progressed as agreed; there are 17 audits currently in fieldwork or quality review and all remaining audits at planning or terms of reference stage.

2.5 In respect of the Council's Key Financial Systems audits, fieldwork has now been completed and draft reports issued to management. The reports will be shared with the Council's External Auditor's in line with the agreed timescales of the middle of February 2017. The remaining audit, Treasury Management, is not deemed a key deliverable for External Audit assurance purposes and has been scheduled for completion by the end of March.

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 – to provide assurance that the sample schools comply with the statutory guidance in the Department for Education's publication "Keeping Children Safe in Education" and the Home Office Right to Work in the UK legislation, when undertaking recruitment activity (sample of 13 schools)

c) **Theme 3** – Financial Planning – to review the effectiveness of financial planning including early years (sample of 13 schools)

2.7 In respect of Theme 1, visits to all sampled schools were completed in the summer term and draft reports were issued during the same period. Eighteen of these reports have now been finalised, with management action plans agreed in response to the recommendations made. The

remaining outstanding draft report is being urgently followed up for finalisation.

2.8 Fieldwork in relation to theme 2, Safe Recruitment in Schools, has been completed and reports summarising the outcomes of the visit and any recommendations for improvement are currently being issued to the individual School's visited.

2.9 Planning to support delivery of Theme 3 has now been completed and all visits booked with the sampled schools. All audit visits are scheduled to be completed by the end of March 2017.

2.10 In addition to the above, Children's Services or Individual Schools have requested audit visits under the now completed SFVS theme. In total five additional reviews will be undertaken using the SFVS approach, with these scheduled to be completed by the end of March 2017.

2.11 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

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

2.13 Health and Community Services

- Cancellation of the audit of the Better Care Fund (15 days) as alternative assurance on the management of key risks is already available through a combination of previous SIAS audits and those undertaken by the Internal Auditors of the CCG's.

- A reduction in the audit budget for the Residential Invoicing Audit (15 to 5 days). Based on the progress with this project SIAS is now providing consultancy support on the design and implementation of revised systems, as opposed to an assurance review

The above changes are proposed at the request of the HCS Board.

2.14 Children's Services

- As proposed by the Head of Childhood Support; deferral of the audit of Extended Entitlement to Free Childcare as this is currently a pilot and is already subject to monitoring by the DfE and other external organisations.

2.15   Schools Plan

Adjustments are planned to the approved school's audit plan to provide additional capacity for two additional activities.

- An allocation of 10 days to accommodate SIAS attendance at a series of Children's Services safeguarding seminars for Head Teachers and Governors. This was to allow key learning points from the recently completed Safe Recruitment audits to be shared with all maintained schools.

- An increase of 15 days to the allocation for theme 1 (SFVS) to allow the completion of the additional audit visits highlighted within paragraph 2.10.

2.16   The above Schools' plan adjustments were proposed by the Assistant Director (Education, Access and Provision) and would be accommodated by a reduction in the number of schools covered within the Safe Recruitment theme (18 to 13) and the Financial Planning theme (15 to 13). In total the annual schools coverage for 2016/17 will reduce by two schools from the original audit plan approved by the Audit Committee.

Other Changes

2.17   Additional minor changes have been made to the audit plan in order to reflect changes of 2 days or less, where original planned items are no longer required, or new activities have emerged. Taking into account all changes the County Council contingency budget now stands at 64 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
4	1	0	0	3	0
%	25%	0%	0%	75%	0%

2.21   High priority recommendations relating to schools are excluded from this listing given 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:

- HCS Cash Handling Procedures - Systems should be revised to ensure that the Security Officer is not permitted to open the safe unless there are two authorised officers present. The existing format for the Safe Access Log should also be updated to clearly demonstrate the application of this control. Further details, the related management response and progress in implementation are provided in Appendix B.

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 table below 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	Actions not commenced – Revised date Agreed	No Update Provided by Action Owner
60	27	0	29	0	4
%	45%	%	48%	0%	7%

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 Hertfordshire County Council 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 6 February 2017	Actual performance to 6 February 2017
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excludes unused contingency)	95%	80%	73%
2. Planned Projects * – percentage of actual completed projects to draft report stage against planned completed projects	95%	64%	59%
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level	100%	100%	89%**
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.

** Eighteen completed customer satisfaction surveys have been received during 2016/17, two of which gave a lower than 'satisfactory' assessment of the audit process

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	2	In Fieldwork
Head of Assurance Annual Opinion and Annual Report	N/A				5	SIAS	5	Complete
Whistleblowing - named contact and quarterly review	N/A				4	SIAS	4	Through Year
Resources: Finance								
Pensions – Administration					30	SIAS	27	Draft Report Issued
Payroll					25	SIAS	24	Draft Report Issued
Debtors					25	SIAS	24.5	Draft Report Issued
Creditors					25	SIAS	24	Draft Report Issued
General Ledger					20	SIAS	19.5	Draft Report Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Treasury Management					15	SIAS	4.5	TOR Issued
e-Income (suppliers' payments)					10	BDO	8	Quality Review
Feeder Systems					10	SIAS	9.5	Draft Report Issued
E-Monitor Process -Consistency of Approach					8	SIAS	8	Draft Report Issued
Resources: Procurement and Performance								
Framework Contracts					15	BDO	14	Quality Review
Resources: Property								
Asbestos Management					15	SIAS	0.5	In Planning
Carbon Reduction Commitment	N/a	0	0	0	15	SIAS	15	Final Report Issued
Leasehold Income					15	BDO	12	Quality Review
Management of Empty Properties	Substantial	0	3	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				
Resources: Technology								
ICT Support Process and Helpdesk	Substantial	0	5	6	15	SIAS	15	Final Report Issued
Systems rationalisation	N/a				0	N/a		Cancelled
Intranet					15	BDO	0.5	TOR Issued
Social Media					15	SIAS	1	In Planning
Resources: Business Intelligence								
Data Retention					20	BDO	1	In Planning
Resources: Human Resources								
Training Records					8	SIAS		In Planning
Working Time Directive					15	SIAS	2	In Fieldwork

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Resources: Legal, Democratic & Statutory Services								
Coroner's Service	Substantial	0	3	3	15	SIAS	15	Final Report Issued
Resources Queries <3hrs Activities	N/A				20	N/A	15	Through Year
HBS								
Stock Control					15	BDO	12.5	Draft Report Issued
Fuel Cards(HES)	Limited	1	6	3	18	SIAS	18	Final Report Issued
Fuel Cards (HBS)	Substantial	0	2	1				Final Report Issued
Cross-Cutting Reviews								
Contract Management					25	BDO	15.5	In Fieldwork

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Business Cases and Benefits Realisation					25	BDO	7.5	In Fieldwork
Health & Community Services								
Residential Invoicing (Consultancy)					5	SIAS	0.5	Allocated
Financial Assessments	Substantial	0	2	2	15	SIAS	15	Final Report Issued
Statutory Returns					15	BDO	13	Draft Report Issued
Homecare					15	BDO	14.5	Quality Review
Carers Direct Payments	Moderate	1	8	1	15	SIAS	15	Final Report Issued
Better Care Fund					0	BDO		Cancelled
Pre-Paid Cards					10	SIAS	6	In Fieldwork
Voluntary Sector Contracts / Grants					10	SIAS	5	In Fieldwork
Client Finances - Establishment Visits					30	SIAS	0.5	In Planning
Learning Disability - Panel Processes					10	BDO	8	Quality Review

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
HCS Cash Handling Procedures	Moderate	1	6	2	5	SIAS	5	Final Report Issued
HCS Contract Retention and Contract Management					10	SIAS	4	In Fieldwork
H & CS Queries < 3hrs Activities	N/A				10	N/A	4	Through Year
Environment Services - Transport								
Home to School and Social Care transport (Safeguarding)					20	BDO	4	TOR Issued
Environment Services – Highways								
Ringway Contract – Sector Specific Improvements					20	SIAS	17	In Fieldwork
Category One - 'Triage' Approach	Moderate	0	1	1	15	SIAS	15	Final Report Issued
Redesign of the Highways Service					20	SIAS	9	In Fieldwork
Customer Enquiries and Complaints					15	BDO	3	In Planning

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Valuation of Transport Infrastructure Assets	Substantial	0	5	2	15	SIAS	15	Final Report Issued
Programme management					20	BDO	1	In Planning
Business Continuity					20	BDO	0.5	TOR Issued
ECS Queries <3hrs activities	N/A				5		4	Through Year
Children's Services								
Data Quality					15	BDO	13.5	Quality Review
Ofsted Action plan progress					10	SIAS	0.5	In Planning
Foster Carer Recruitment and Retention	Full	0	0	0	15	SIAS	15	Final Report Issued
Controcc – Foster Carer Payments					10	SIAS	9.5	Draft Report Issued
Unaccompanied Minors and no Recourse to Public Funds					15	SIAS	12	Draft Report Issued
Extended Entitlement to Free Childcare					5	SIAS	4.5	Audit Deferred

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Children's services establishments					33	SIAS	30.5	Quality Review
Section 17 Payments	Substantial	0	4	1	10	SIAS	10	Final Report Issued
CS Queries <3hrs Activities	N/A				10	SIAS	8.5	Through Year
Public Health								
Budget Setting and Budgetary Control					15	BDO	2	TOR Issued
Community Protection								
Resilience	Substantial	0	0	0	15	SIAS	15	Final Report Issued
Volunteering					10	SIAS	9.5	Draft Report Issued
Shared Learning								
Shared Learning Newsletters and Summary Themed Reports	N/A				5	SIAS	5	Through Year

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Joint Review 1 - Delivery of the PREVENT agenda	N/A				2.5	SIAS	2.5	In Fieldwork
Joint Review 2 - Trading Activities	N/A				2.5	SIAS	2	In Fieldwork
Contingencies								
Hertfordshire County Council Contingency	N/A				50.5	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	0.5	In Fieldwork
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	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				
Grant								
LEP – Local Growth Fund	Not Assessed	0	0	0	6		6	Final Certification Issued
SureCare					0.5	SIAS	0.5	Cancelled
PH Grant					0.5	SIAS	0.5	Cancelled
PSS Grant					0.5	SIAS	0.5	Cancelled
Grants Contingency					13.5			Through Year
Other Chargeable								
Monitoring 16/17 Plan	N/A				30	SIAS	25	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	5	Complete
Recommendations Follow-Up - Q4	N/A				5	SIAS	5	Not Yet Allocated

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Client Liaison	N/A				10	SIAS	9	Through Year
Audit Committee Matters & Attendance	N/A				20	SIAS	16	Through Year
Audit Planning - 17/18	N/A				30	SIAS	25	Draft Plan Issued
Performance Data	N/A				6	SIAS	5	Through Year
External Audit Liaison	N/A				6	SIAS	4.5	Through Year
Service Plan Activity	N/A				40	SIAS	40	Through Year
SIAS Board Meetings and Preparation	N/A				12	SIAS	12	Through Year
Management of Scrutiny	N/A				5	SIAS	5	Through Year
Management of Health & Safety	N/A				5	SIAS	5	Through Year
Management of Shared Anti Fraud Service	N/A				5	SIAS	5	Through Year
Management of Risk Management and Insurance	N/A				5	SIAS	5	Through Year
Public Sector Internal Audit - Self Assessment 16-17	N/A				10	SIAS	3	Allocated

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
15-16 Projects requiring finalisation					65.5		65.5	
Payroll	Substantial	0	1	1		BDO		Final Report Issued
Debtors	Substantial	0	1	2		BDO		Final Report Issued
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

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
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
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	N/A – Training Activity					SIAS		Complete
Better Care Fund - Performance and Financial Monitoring	Substantial	0	2	1		BDO		Final Report Issued

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Special Educational Needs and Disability - meeting statutory requirements	Substantial	0	1	2		SIAS		Final Report Issued
Highways Operating Procedures						SIAS		Audit Cancelled
Schools								
Theme 1 - SFVS	N/A				73.5	SIAS	75.5	Visits Completed
Theme 2 - Safe Recruitment					77.5	SIAS	60	Visits Completed
Theme 3 - Financial Planning					68	SIAS	2.5	In Fieldwork
Reporting 15/16 themes					9	SIAS	9	Final Reports Issued
Follow up schools with high priority recs or moderate assurance	N/A				15	SIAS	15	Through Year
Other Assurance Visits	N/A				17	SIAS	15	Through Year
SFVS Returns Collation and Collection	N/A				11	SIAS	7	Through Year
Advice, queries and guidance for schools	N/A				30	SIAS	21.5	Through Year

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Liaison, awareness raising and training & plan monitoring	N/A				37	SIAS	45	Through Year
2015/16 Schools Completion	N/A				1	SIAS	1	Complete
FOI Request	N/A				3	SIAS	3	Complete
Contingency	N/A				3	N/A		Through Year

Total		4	76	51	1637		1140	

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 6 February 2017 (previous commentary added where appropriate)	Status of Progress
1	**HCC Service User Managed Monies** (Final Report Issued February 2015)	<u>Recommendation</u> All existing service users that are not currently managed under Appointeeship or Deputyship should be reviewed to ensure that Hertfordshire County Council 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. <u>Management Response</u> **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 Hertfordshire County Council 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.**	**Steven Lee-Foster, Assistant Director HCS Provider Services / David Price, Business Development Manager (HCS)** 30 September 2015	As of December 2016, supported living has 329 service users / tenants it is supporting. 179 people were identified as not requiring a capacity assessment (56%) The basis on which this is made is unclear and is being investigated. 83 service users have either an Appointeeship or Deputyship in place (25%) and a further 50 service users are subject of either a referral to HCS Care Management or family members (15%) The status of these requests will be subject of further information gathering. In order to evaluate the robustness of the data the monthly returns template and data from individual service units will be reviewed. The evidence indicates a number of service users whose status is unclear and this will be subject of further investigation as well. The number of service users with Appointeeship or Deputyship in place has remained relatively unchanged since July 2016.	**Partially Implemented** **Revised Target Date - End of June 2017**

No.	Report Title / Date of Issue	Recommendation / Original Management Response	Responsible Officer / Due Date	Management Comment as at 6 February 2017 (previous commentary added where appropriate)	Status of Progress
2	**Fuel Cards – HES** (Final Report Issued October 2016)	<u>Recommendation</u> HES to review and strengthen the existing processes for checking and validating supplier invoices and employee use of fuel cards. <u>Management response</u> **Immediate cross-referencing of bills and receipts to be commenced** **Head of HES to be informed of the outcome of this exercise on a monthly basis prior to sign off of the bill** **Mileage logs to be implemented to support consumption analysis. ELMS handhelds can record mileage each day and data could be used from ELMS system** **Issues to be recorded in e-mail communications of management team.**	Emma Cleaver-Dowsett - General Manager Nov 2016	**October 2016 Update** - A staff resource has been identified to check all receipted fuel receipts to be cross-checked against the invoice when received. The General Manager will double-check that work and report to the HoS that bills can be authorised. As and when daily checks of vehicles is implemented on handheld devices drivers' use, mileage data will be captured and analysed to allow for reasonableness checks on consumption. **February 2017 Update** – The implementation of Mileage logs is ongoing. A lack of supervisory staff has made this difficult to implement. Vehicle tracking with recording data is now being looked at as a priority in terms of an alternative approach.	**Partially Implemented** **Revised Target Date - End of March 2017**
3	**Carers' Direct Payments** (Final report issued November 2016)	<u>Recommendation</u> The Resource Allocation Calculation process to be reviewed to provide a) explicit criteria for those circumstances where the indicative amount may be overridden and b) details of how these should be authorised. Periodic reviews to be considered to confirm that	Stuart Bertram - Integrated Personal Budgets Lead	The authorisation funding levels have remained the same. Justification for the authorisation of carer DPs are now subject to higher levels of scrutiny from senior management to monitor and improve practice.	**Implemented**

No.	Report Title / Date of Issue	Recommendation / Original Management Response	Responsible Officer / Due Date	Management Comment as at 6 February 2017 (previous commentary added where appropriate)	Status of Progress
		operational teams comply with existing or revised guidance on the application of indicative amounts within the creation and authorisation of the support plan. Management checks to be strengthened to ensure that carers' direct payment (DP) are only provided to individuals who have a current caring role. Before a direct payment agreement is scanned onto the system, a check to be made to ensure that it has been signed by the recipient. **Management response** **Heads of Service to be consulted over the authorisation of DPs that significantly exceed the indicative RAS generated budget. (NB the RAS indicative amount is not the sum that will be made available but an indication of funds that might be made available).** **Guidance to being drafted by the carers' lead and Community Wellbeing team to address the challenges around appropriate use of carers' direct payment, with specific attention around 'replacement care'.** **Quarterly sampling to be undertaken over the next 12 months to assess and review the practice and compliance of front line staff and managers with published guidance.** **The likelihood of an unsigned agreement form being uploaded is minimal. DP agreement forms**	31 December 2016 31 December 2016 1 December 2016 to 1 December 2017 Immediate	The carers lead and the community wellbeing team (CWB) have worked in partnership with local carer organisations to establish clearer guidance on the concept of replacement care and the difference between service for the carer vs cared for. The P&Q team are responsible for monitoring and sampling carer's direct payments, to support the organisation to continue to improve practice. This will continue as business as usual. DP agreement forms are checked as part of auditing and reviews.	

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		to be checked as part of the sampling work to confirm that this was an anomaly.			
4	**HCS Cash Handling Procedures** (Final report issued December 2016)	<u>Recommendation</u> There must always be two officers present when cash tins are retrieved from the safe and the Security Officer should not be permitted to open the safe unless there are two authorised officers present. In order to evidence that this control is operated in practice, the current 'Safe Access Register' should be amended to record name of both authorised officers retrieving a cash tin, signature from both officers, date and time of access, cash tin number; signature of Security Officer opening the safe and reason for opening the safe. <u>Management response</u> **The safe will now require two keys in order to be opened - Key 1 held by security and Key 2 held by the department** **The above arrangement will ensure that no access can be gained without a Hertfordshire County Council and SERCO officer being present.** **In respect of the Safe Access register, this will be amended in line with the audit recommendation.**	Steve Harris – Strategic Facilities Manager End of December 2016	**SIAS Comment** - Given the nature of this recommendation full details of the update provided to the SIAS are not included within this report. However, confirmation is provided to the Committee that the action is implemented, subject to the agreement of key holders.	**Partially Implemented** **Revised Target Date - March 2017**

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.