

## AUDIT & RISK MANAGEMENT SERVICE

### INTERNAL AUDIT PROGRESS REPORT 2013/14

#### Introduction

1. The Internal Audit Plan is attached as appendix 1 to this report, and includes a progress status on the previously reported planned activity.

#### Resources

2. There have been no resourcing issues to report in Q4

#### Completed Audits

3. There have been 7 audits completed since the last report. A further 4 audits are at draft report stage. Summaries of the completed audits are attached as appendix 2.
4. The following audits have been completed:

Service	Audit	Opinion
CYP	Iver Village School	Reasonable
CYP	Governance Establishment (Aftercare Team)	Reasonable
AFW	Governance Establishment (Community Hospital Team)	Reasonable
RBT	Treasury Management	Substantial
RBT	Vodafone	Limited
CYP	Safeguarding	Limited
AFW	Safeguarding	Limited

#### *Definition of Opinion Ratings:*

SUBSTANTIAL:	There is a sound system of internal control in which risks are being managed to acceptable levels
REASONABLE	There is generally a sound system of internal control, however some

	significant risks have been noted and there is therefore the possibility that some objectives will not be achieved
LIMITED	The system of internal control is generally weak, and the exposure to risk is such that it is probable that objectives will not be, or are not being achieved. The system is open to the risk of significant error or abuse.

### Other Audit Activity

5. The Purchase to Pay project is on-going The Chief Internal Auditor is on the project board; however, in addition the Audit Manager is providing advice and support to the project, which in time will include reviewing the controls being considered in the design of new systems and processes.
6. The Finance Business Partner (CYP) and the Chief Internal Auditor are currently reviewing the system of assurance to the Chief Finance Officer in relation to financial management in schools. This work was scheduled to conclude by the end of March 2014; however the project has been delayed in completion due to a lack of resources. The revised deadline has not yet been determined, but this matter has been reported to Finance and Commercial Services Leadership Team for action.
7. Internal Audit carried out an initial one day review of revised processes within the Property service.
8. A verification exercise was undertaken to confirm the validity of the Q4 Families First payment by results claim.
9. A detailed follow up review was carried out to confirm the status of management actions agreed following the 2012/13 Internal Audit of SEN. We found that, of the 26 original high and 7 medium priority management actions, 8 had been fully implemented, 9 had been partially implemented, 14 not implemented and 2 was no longer applicable. Outstanding actions will be followed up during Q1 of 2014/15.
10. A review of the Public Health Funding Grant return has been undertaken in advance of being signed off by the Service Director, Finance and Commercial Services. There were no issues from that review.
11. At the request of the Service Director internal audit has undertaken a special investigation into a complex case regarding a direct payment process for a service user. This was not an audit, but a walkthrough of the system and processes that have been applied to this service user, looking

at the interaction and communication between the social care team and the finance teams involved. The work has identified a number of system issues so a full audit has been commissioned for Q1 2014/15.

## **Counter-Fraud update**

### **Investigations**

12. There is one current investigation into suspected financial irregularity of a sum under £10000. No further details can be supplied as this is an active case that has not yet been concluded.

NFI is as follows; No significant matches have been noted. Progress has been made from the previous position. All concessionary travel pass matches have been investigated and the blue badge report has been opened and reviewed.

### **NFI Update;**

13. Work on the NFI matches continues. All concessionary travel pass matches, and blue badge matches have been investigated. No significant issues have been noted.

Ian Dyson  
Chief Internal Auditor  
April 2014

**APPENDIX 1 Regulatory & Audit Committee 16 April 2014 - Progress against 2013/14 Plan**

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
General	1	<p><b>Annual Governance Statement</b>                      We will be analysing the self-assessment Annual Governance Statement questionnaires returned from Service Directors. This will form key evidence for the production of the Annual Governance Statement. The Chief Internal Auditor will also be liaising with the Corporate Leads on the key control processes in compiling the AGS.</p>	<b>Completed – AGS signed</b>
General	1	<p><b>Assurance Mapping</b>                      This work has started and will be piloted in Oxfordshire. Once the first review in Oxfordshire has been completed the model will be tested at BCC.</p>	On-going
Corporate	1	<p><b>Health and Safety (Legislation)</b>                      Carried forward from 2012/13 this audit will review the system for ensuring statutory responsibility for Health and Safety is being effectively managed.</p>	<b>Final Report - Reasonable</b>
Corporate	3	<p><b>Governance and Financial Management</b></p> <p>This element of the governance and financial management audit focuses on the effectiveness of the corporate processes in place. Testing will follow on from the 2012/13 audits with areas being selected from the following:</p> <ul style="list-style-type: none"> <li>• Authority and Governance.</li> <li>• Risk Management.</li> <li>• Financial Management.</li> <li>• Performance Management.</li> <li>• Human Resources.</li> <li>• Legislation.</li> <li>• Procurement.</li> </ul>	Fieldwork

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		<ul style="list-style-type: none"> <li>• Information Governance.</li> <li>• Project Management.</li> <li>• Partnerships.</li> </ul> <p>The outcome of the audit will be reported accordingly, enabling Service Directors to complete their self assessment as part of the annual governance process.</p>	
Corporate	4	<p><b>Payroll</b></p> <p>The Payroll process from starter to leaver is managed by HR and the 'Reward' and 'Employee Lifecycle' Teams which are part of the Support Services Centre. Payroll services are also provided by Bucks County Council to external organisations and some academy schools. Following on from last year's audit and other issues identified there is a Payroll Project Team in place to monitor the progress of any necessary actions.</p>	Draft Report
Corporate	4	<p><b>General Ledger</b></p> <p>The Council's objective for the system is to ensure that the internal controls for the monitoring of the General Ledger are adequate and effective. This audit will include a follow up of the previous audit completed in April 2013. The General Ledger system was categorised as high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Council's objectives.</p>	Draft Report
Corporate	4	<p><b>Accounts Receivable (incl. Cash Receipting)</b></p> <p>The Council's objective for the system is to ensure that the internal controls for the monitoring of Accounts Receivable are adequate and effective. The Accounts Receivable and Income Management system was categorised as</p>	Exit meeting

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Council's objectives.	
Corporate	4	<p><b>Accounts Payable</b></p> <p>The Council's objective for the system is to ensure that the internal controls for the monitoring of Accounts Payable are adequate and effective. The Accounts Payable system was categorised as high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Council's objectives.</p>	Fieldwork
CYP	1	<p><b>Mandeville School</b></p> <p>A request was received to undertake a full audit of Mandeville School, following the issue of a Notice of Concern, due to a significant year end overspend. The audit will focus on the following areas:</p> <ul style="list-style-type: none"> <li>• Governance.</li> <li>• Financial Management (budget setting and budget monitoring).</li> <li>• Financial Control.</li> <li>• Payroll.</li> <li>• Procurement, contracts and leases.</li> <li>• Accounts Payable.</li> <li>• Purchasing Card.</li> <li>• Imprest.</li> </ul>	<b>Final Report – Limited</b>
CYP	1	<p><b>Bucks Learning Trust</b></p> <p>The Audit and Risk Management Team will continue to review the governance arrangements through the life of this project, including reviewing the operational systems and procedures being designed for the operation and management of</p>	This work is on-going

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		the contract with the LATC.	
CYP	2	<p><b>Schools Thematic (Budget Setting and Budget Monitoring)</b></p> <p>The original audit has been suspended and replaced by an analytical review of the 2011/12 and 2012/13 budget information for all schools in Buckinghamshire, identifying trends and issues. The evidence will be used to inform a service led review of the S151 system of assurance over financial management in schools, including a review of roles and responsibilities. That review is being managed as a project, sponsored by the Chief Internal Auditor and led by the Finance Business Partner.</p>	<b>Project initiated – work to be continued into 2014/15</b>
CYP	2 and 4	<p><b>Families First</b></p> <p>This work involved a review of the governance arrangements and data control processes in place in order to verify and sign off the grant claim for the government's Troubled Families results-based payments claim.</p>	<b>Complete</b>
CYP	2	<p><b>Safeguarding</b></p> <p>The audit activity focussed on the following key risk areas identified in the processes relating to the Safeguarding system:</p> <ul style="list-style-type: none"> <li>• Quality Assurance – case files</li> <li>• Quality Assurance – supervision</li> <li>• Monitoring of compliance with statutory key social work processes</li> </ul>	<b>Final Report - Limited</b>
CYP	2	<p><b>Schools Admissions</b></p> <p>The audit involved a review of the adequacy and effectiveness of the system of internal controls over the School Admission process for September 2013 Primary and Secondary school entry.</p>	<b>Final Report - Substantial</b>
CYP	2	<b>SEN Follow Up</b>	<b>Complete</b>

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
CYP	3	<p><b>Schools Thematic (Payroll &amp; Recruitment)</b></p> <p>This audit is a thematic review of the payroll and recruitment processes in place within schools. The audit will involve visiting a sample number of schools to review their processes, as well as the involvement and system in place centrally.</p>	Removed – review replaced by individual school audits
CYP	3	<p><b>6th Form Grant Funding</b></p> <p>This audit will involve a review of the accuracy of the Local Authority's 16-19 Grant Return.</p>	<b>Complete</b>
CYP	3	<p><b>Follow Up of Schools Audit Actions</b></p> <p>This work will involve following up the audit actions agreed as part of the 2012/13 school visit audits.</p>	Removed – review replaced by individual school audits
CYP	3	<p><b>Pebble Brook School</b></p> <p>The audit of Pebble Brook School is being undertaken as part of the 2013/14 Internal Audit plan. Testing will focus on the adequacy and effectiveness of the system of internal control that is in place to manage and mitigate financial and non-financial risks.</p>	<b>Final Report - Limited</b>
CYP	3	<p><b>Iver Village School</b></p> <p>The audit of Iver Village School is being undertaken as part of the 2013/14 Internal Audit plan. Testing will focus on the adequacy and effectiveness of the system of internal control that is in place to manage and mitigate financial and non-financial risks.</p>	<b>Final Report - Reasonable</b>



Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
CYP	4	<p><b>School Visit 3 – TBC</b></p> <p>The school audit (TBC) is being undertaken as part of the 2013/14 Internal Audit plan. Testing will focus on the adequacy and effectiveness of the system of internal control that is in place to manage and mitigate financial and non-financial risks.</p>	Removed
CYP	3	<p><b>Governance Establishment (Aftercare Team)</b></p> <p>This review is being undertaken as part of the Governance and Financial Management audit work, focussing on the effectiveness of the governance and financial management arrangements in place. The outcome of the audit will form part of the overall assurance for the Service Directors to complete their self assessment as part of the annual governance process.</p>	<b>Final Report - Reasonable</b>
CYP	3	<p><b>Governance and Financial Management</b></p> <p>This is an annual audit to review governance and financial management arrangements in place within the service areas. The programme of work will be completed over the remainder of the year, and will include testing on compliance with key corporate processes. Testing will follow on from the 2012/13 audits with areas being selected from the following:</p> <ul style="list-style-type: none"> <li>• Authority and Governance.</li> <li>• Risk Management.</li> <li>• Financial Management.</li> <li>• Performance Management.</li> <li>• Human Resources.</li> <li>• Legislation.</li> </ul>	Fieldwork

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		<ul style="list-style-type: none"> <li>• Procurement.</li> <li>• Information Governance.</li> <li>• Project Management.</li> <li>• Partnerships.</li> </ul> <p>The outcome of the audit will form part of the overall assurance for the Service Directors to complete their self assessment as part of the annual governance process.</p>	
CYP	4	<p><b>Chiltern Gate Follow Up</b></p> <p>To follow up on the actions agreed as part of the 2012/13 Chiltern Gate audit.</p>	<b>Complete</b>
AFW	1	<p><b>Local Authority Trading Company</b></p> <p>The Audit and Risk Management Team will continue to review the governance arrangements through the life of this project, including reviewing the operational systems and procedures being designed for the operation and management of the contract with the LATC.</p>	This work is on-going
AFW	1	<p><b>Fuel Poverty Grant</b></p> <p>This work is an audit of the allocation of the DECC Fuel Poverty Grant, reviewing the supporting documentation that details how the grant has been allocated and spent.</p>	<b>Complete</b>
AFW	2	<p><b>Safeguarding</b></p> <p>The audit activity focused on the following key risk areas identified in the processes relating to the Safeguarding system:</p> <ul style="list-style-type: none"> <li>• Quality Assurance – case files</li> </ul>	<b>Final Report - Limited</b>

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		<ul style="list-style-type: none"> <li>• Quality Assurance – supervision</li> <li>• Monitoring of compliance with key care management processes</li> </ul>	
AFW	3	<p><b>Governance Establishment (Coroner Service)</b></p> <p>This review is being undertaken as part of the Governance and Financial Management audit work, focussing on the effectiveness of the governance and financial management arrangements in place. The outcome of the audit will form part of the overall assurance for the Service Directors to complete their self assessment as part of the annual governance process.</p>	<b>Final Report - Reasonable</b>
AFW	3	<p><b>Governance Establishment (Community Hospital Team)</b></p> <p>This review is being undertaken as part of the Governance and Financial Management audit work, focussing on the effectiveness of the governance and financial management arrangements in place. The outcome of the audit will form part of the overall assurance for the Service Directors to complete their self assessment as part of the annual governance process.</p>	<b>Final Report - Reasonable</b>
AFW	3	<p><b>Governance and Financial Management</b></p> <p>This is an annual audit to review governance and financial management arrangements in place within the service areas. The programme of work will be completed over the remainder of the year, and will include testing on compliance with key corporate processes. Testing will follow on from the 2012/13 audits with areas being selected from the following:</p> <ul style="list-style-type: none"> <li>• Authority and Governance.</li> <li>• Risk Management.</li> <li>• Financial Management.</li> </ul>	Fieldwork

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		<ul style="list-style-type: none"> <li>• Performance Management.</li> <li>• Human Resources.</li> <li>• Legislation.</li> <li>• Procurement.</li> <li>• Information Governance.</li> <li>• Project Management.</li> <li>• Partnerships.</li> </ul> <p>The outcome of the audit will form part of the overall assurance for the Service Directors to complete their self assessment as part of the annual governance process.</p>	
PH	4	<p><b>Public Health Grant</b></p> <p>A high level review of the Public Health Grant to enable the organisation to submit the required Statement of Assurance.</p>	<b>Complete</b>
CBE	1	<p><b>Joint Waste Committee Return</b></p> <p>This work is an audit of the Annual Return 2012/13 for the Buckinghamshire Joint Committee on Waste.</p>	<b>Complete</b>
CBE	1	<b>AMEY Contract</b>	<b>Final Report - Limited</b>
CBE	1	<b>Highways Contract - Capital Maintenance</b>	<b>Final Report - Limited</b>
CBE	2	<p><b>ADEPT Accounts</b></p> <p>This work is an audit of the Association of Directors of Environment, Economy, Planning &amp; Transportation accounts, of which the Strategic Director,</p>	<b>Complete</b>

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		Communities and Built Environment, is the Honorary Secretary & Treasurer.	
CBE	2	<b>Capital Programme Management</b> This audit was requested by the Cabinet Member. The audit will review how the schemes in the programme are being managed, with particular focus on project slippage.	<b>Completed - Recommendations made</b>
CBE	3	<b>Governance and Financial Management</b>  This is an annual audit to review governance and financial management arrangements in place within the service areas.. The programme of work will be completed over the remainder of the year, and will include testing on compliance with key corporate processes. Testing will follow on from the 2012/13 audits with areas being selected from the following: <ul style="list-style-type: none"> <li>• Authority and Governance.</li> <li>• Risk Management.</li> <li>• Financial Management.</li> <li>• Performance Management.</li> <li>• Human Resources.</li> <li>• Legislation.</li> <li>• Procurement.</li> <li>• Information Governance.</li> <li>• Project Management.</li> <li>• Partnerships.</li> </ul> The outcome of the audit will form part of the overall assurance for the Service Directors to complete their self assessment as part of the annual governance process.	Fieldwork

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
CBE	4	<p><b>Governance Establishment (Drug Action Team)</b></p> <p>This review is being undertaken as part of the Governance and Financial Management audit work, focussing on the effectiveness of the governance and financial management arrangements in place. The outcome of the audit will form part of the overall assurance for the Service Directors to complete their self assessment as part of the annual governance process.</p>	Draft Report
CBE	4	<p><b>Property Mobilisation</b></p> <p>This is a review of processes being developed in line with the new structure at the request of the Senior Manager (PLACE).</p>	<b>Complete</b>
RBT	1	<p><b>Vodafone</b></p> <p>The audit will document the current processes in place for administering and monitoring the use of Vodafone mobile phones across the Council.</p>	<b>Final Report - Limited</b>
RBT	2	<p><b>Growth and Optimisation Gateway Review</b></p> <p>The Support Services Transformation Programme commenced in 2010. An outline Business Case for Growth and Optimisation was presented to Members in July 2012. The Internal Transformation, with Selective Partnering or Outsourcing, was agreed by Members as the preferred way forward and an updated Business Case was approved in April 2013.</p> <p>The work will involve a gateway review of the programme to assess the robustness of the Business Case, programme governance, project management and strategic fit with the Council's objectives.</p>	<b>Complete</b>
RBT	2	<p><b>Review of Charges</b></p>	<b>Final Report -</b>

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		The audit will review how charges made by the Council comply with legislation and regulations and how those charges are aligned to the Income Generation Strategy. At an operational level the audit will consider the application of those charges and for a sample the systems for collection of fees charged.	<b>Reasonable</b>
RBT	2	<b>Income Collection (Zipporah)</b>  Following on from the Review of Charges audit, this review will evaluate the effectiveness of how the Council's income collection system (Zipporah) is utilised.	Removed
RBT	2	<b>Payroll Project</b>  Following the "Limited" Payroll audit report for 2012/13, a project was initiated to address the issues identified.  This work will oversee project progress, advising on the controls being implemented and the overall delivery of the project. The work will also inform the 2013/14 Payroll review.	<b>Complete</b>
RBT	2	<b>Purchase to Pay Project</b>  This work will support the Purchase to Pay Project, advising on any revisions to procurement processes. The work will also aim to ensure the appropriate control mechanisms are in place, prior to their submission to the Project Board for approval.	<b>Complete</b>
RBT	3	<b>Governance and Financial Management</b>  This is an annual audit to review governance and financial management	Fieldwork

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		<p>arrangements in place within the service area. The programme of work will be completed over the remainder of the year, and will include testing on compliance with key corporate processes. Testing will follow on from the 2012/13 audits with areas being selected from the following:</p> <ul style="list-style-type: none"> <li>• Authority and Governance.</li> <li>• Risk Management.</li> <li>• Financial Management.</li> <li>• Performance Management.</li> <li>• Human Resources.</li> <li>• Legislation.</li> <li>• Procurement.</li> <li>• Information Governance.</li> <li>• Project Management.</li> <li>• Partnerships.</li> </ul> <p>The outcome of the audit will form part of the overall assurance for the Service Directors to complete their self assessment as part of the annual governance process.</p>	
RBT	3	<p><b>Treasury Management</b></p> <p>The Treasury Management Team manages the Council's investments and cash flows, its banking, money market and capital market transactions. This includes the effective control of the associated risks and the pursuit of optimum performance consistent with those risks.</p>	<b>Final Report - Substantial</b>
RBT	4	<b>Pensions</b>	Draft Report



Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		<p>The Council's objective for the system is to ensure that the system of internal controls for the monitoring of Pensions is adequate and effective. The Pensions system was categorised as high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Council's objectives.</p>	
PPC	3	<p><b>Governance and Financial Management</b></p> <p>This is an annual audit to review governance and financial management arrangements in place within the directorate. The programme of work will be completed over the remainder of the year, and will include testing on compliance with key corporate processes. Testing will follow on from the 2012/13 audits with areas being selected from the following:</p> <ul style="list-style-type: none"> <li>• Authority and Governance.</li> <li>• Risk Management.</li> <li>• Financial Management.</li> <li>• Performance Management.</li> <li>• Human Resources.</li> <li>• Legislation.</li> <li>• Procurement.</li> <li>• Information Governance.</li> <li>• Project Management.</li> <li>• Partnerships.</li> </ul> <p>The outcome of the audit will form part of the overall assurance for the Service Directors to complete their self assessment as part of the annual governance</p>	Fieldwork

Directorate	Qtr Start	Audit	Progress as at 4 April 2014 (Bold = complete)
		process.	

## **APPENDIX 2 Summary of completed audits**

### **Note for information:**

We categorise our management actions according to their level of priority:

High	Major issue or exposure to a significant risk that requires immediate action or the attention of Senior Management.
Medium	Significant issue that requires prompt action and improvement by the local manager.

### **IVER VILLAGE SCHOOL – REASONABLE**

Our overall conclusion is Reasonable. Internal Audit identified that there is generally a sound system of internal control in place. It is acknowledged that in the last year the Headteacher and Business Manager have made significant changes to working practices that ensures that the level of control is satisfactory.

The main finding under Governance is that out of the three governors on the Finance, Premises and Personnel Committee only one has attended financial management training. Three governors have not attended any induction courses. In regard to Payroll the processes are adequate except there is no independent check of the payroll report. The Accounts Payable testing revealed that access rights to FMS do not provide adequate separation of duties and passwords are not changed termly. Within the Income process there is no independent check of the income received to the bank statement.

### **GOVERNANCE ESTABLISHMENT (AFTERCARE TEAM) – REASONABLE**

The audit activity focussed on the following key areas:

- Policies and procedures
- Budgetary control
- Payroll
- Human Resources
- Procurement
- Income/banking
- Assets
- Information security
- Imprest accounts
- Business Continuity
- Risk Management
- Performance Management
- Project Management

- Partnerships

Internal Audit identified that there is generally a sound system of internal control in place. Risks are being mitigated to acceptable levels, except for the risks noted. The key areas related to the following:

- Financial Service Level Agreements in draft form.
- SAP variation narrative not up to date.
- Receipts not being retained to support expense claims and expense claims not being submitted on a monthly basis.
- The annual review of staff receiving Critical Car User Allowance not being completed.
- The team being unaware it was their responsibility to investigate and chase up aged debts.
- Members of the team not completing the data protection e-learning module.
- An Imprest Account being shared by different teams.
- No independent check of the Imprest Account reconciliation.

There are 2 'High' priority actions and 10 'Medium' priority actions agreed following this audit.

## **GOVERNANCE ESTABLISHMENT (COMMUNITY HOSPITAL) TEAM – REASONABLE**

The audit activity focussed on the following key areas:

- Policies and procedures
- Budgetary control
- Payroll
- Human Resources
- Procurement
- Income/banking
- Assets
- Information security
- Imprest accounts
- Business Continuity
- Risk Management
- Performance Management
- Project Management
- Partnerships

Internal Audit identified that there is generally a sound system of internal control in place. Risks are being mitigated to acceptable levels, except for the risks noted. The key areas related to the following:

- The new starter Induction Checklist not always being completed.
- Receipts not being retained to support expense claims and expense claims.
- Although it is BCC policy that qualified Social Workers are required to have a DBS recheck after three years, five members of staff had not been re-checked within this period.
- Purchase Orders being generated and approved within Business Support.
- Members of the team not completing the data protection e-learning module.
- The team did not have a copy of the relevant portfolio Business Continuity Plan (BCP).
- The team did not have a copy of the latest Discharge Policy. The copy on site is dated November 2008 and shows a revision due date of October 2010.

There are 5 'High' priority actions and 2 'Medium' priority actions agreed following this audit.

## **TREASURY MANAGEMENT – SUBSTANTIAL**

Internal Audit identified that there is generally a sound system of internal control in place. Risks are being mitigated to acceptable levels, except for the significant risks noted, and there is therefore the possibility that some objectives will not be achieved. There is a risk register in place for Treasury Management which shows high level risks, the risks are scored and mitigating actions included. Treasury Management is included in the Finance Business Continuity Plan however it still refers to the HSBC bank account and the risk analysis shows some areas where confirmation of power supply is needed. There is an up to date approved Treasury Management Strategy in place, Policies and Procedures have been reviewed on a regular basis. These comply with CIPFA guidelines and statutory requirements Treasury Management transactions are recorded and reconciled to SAP. However the brought forward figure is not recorded on the reconciliation sheet and the reconciliations are not dated. In one case a transaction was not shown on the reconciliation sheet.

Three management actions were raised in the previous Treasury Management audit report. Two of these related to reconciliations, these have been partially implemented however reconciliations are still not being dated; this has been restated in the audit findings below. The other action regarding recording interest on SAP has been actioned.

## **VODAFONE – LIMITED**

In our opinion limited assurance can be provided that relevant risks are effectively identified, managed and controlled. The system of internal control is generally weak, and the exposure to risk is such that it is probable that objectives will not be, or are not being achieved. The system is open to the risk of significant error or abuse. The High priority issues identified include:

- Walkthroughs found that a standard Vodafone process is not being consistently applied across the Council.
- The current process enables any employee to apply for a mobile phone, without the approval of their line manager and/or cost centre manager.
- Users are not requested to sign a form that confirms they agree to comply with the corporate policy on mobile phone usage.
- There is no formal sanction against the misuse or loss of a mobile phone.

There are 6 'High' priority actions and 13 'Medium' priority actions agreed following this audit.

## **CYP SAFEGUARDING - LIMITED**

Internal Audit identified that the system of internal control is generally weak, and the exposure to risk is such that it is probable that objectives will not be, or are not being achieved. The system is open to the risk of significant error or abuse. It is acknowledged that in the last year the service has undergone significant operational change as a result of a service restructure and implementing the new Munro social work model in response to the Munro review of child protection. At the time of audit, the Munro social work model was still at the early stages of being embedded into operational practice.

A Draft Quality Assurance Framework is in place with assurance activities to be reported to the Quality Assurance (QA) Group. The first set of results for quarter 3 will go to the QA Group in January 2014. Audit was unable to ascertain the effectiveness of the reporting and monitoring of the QA framework as it was work in progress.

Audit completed a review of the frequency of individual supervision and noted that 56% of social care staff were not compliant with the supervision policy and having regular supervisions on a monthly basis. From review of supervision notes we noted references to clients by initials or full names, this presents a risk that the data would be releasable to a subject access request. The frequency, quality and recording of the weekly unit team meetings, and formal individual monthly supervisions is not being monitored by the service to ensure that practice supervision is adequate and robust.

A programme is in place to update the CYP policies and procedures with owners assigned. The programme includes several procedures which require update and review, five of which have had no plans received from the owners with a plan for review. We noted that there are no detailed plans to update the ICS User guides following the upgrade to version 8 in March 2013.

Access to the Child Social Care system is not granted until ICS training has been completed. However, evidence that appropriate DBS checks are in place was not requested from Internal Audit prior to ICS access being granted.

At the time of the audit the service was due to review the geographical split of area teams following the implementation of the Munro model to re-distribute work across the service, as some teams have higher caseloads than others. Where the service is distributing casework by geographical location, rather than capacity there is a risk that the geographical split will require regular review to ensure that the distribution of work is appropriate in responding to the changes in demand across Buckinghamshire.

We noted instances where transfer trays had not been reviewed and cleared on a daily basis and allocated to a unit team.

Due to the high workloads of unit teams, cases are held with the Consultant Social Workers and effectively not worked on until there is capacity within the team for the case to be allocated to a social worker. There is no consistent process in place for the management of this risk across the service. Audit reviewed 10 Consultant Social Workers (CSW) work trays to ascertain instances where a C&F assessment was being held and could not be allocated to a social worker. Of the three CSWs holding C&F assessments we noted from the start of the C&F assessment to the date of audit, that 39, 46, 47, and 55 days had elapsed where no evidence was on file that the child had been seen. Currently there is no reporting of cases not allocated to a social worker to enable an open review, discussion and risk management of the volume of work and the services capacity to meet that demand.

Through discussion with the Consultant Social Worker's (CSW) we noted that there is a lack of scrutiny of work trays in a CSW's absence. CSWs have established informal buddying systems to support each other during absences, but due to the volume of work in unit teams, this does not provide robust scrutiny of the work trays.

From review of the First Response process dated 08/11/13, consistent with the Working Together to Safeguard Children document 2013, the contact and referral record should be completed within one working day. Audit testing of 10 Child Looked After children in the system identified five contact and referral records that were not compliant, the delays ranged from 2 to 14 working days.

There is no Information Management Framework in place which captures all of the reports produced, the frequency and reporting structure to enable the service to

review where there are gaps and additional data is required. Audit identified that the current performance reports available to do not enable effective operational and strategic scrutiny.

There are 11 'High' priority actions and 4 'Medium' priority actions agreed following this audit.

## **AFW SAFEGUARDING – LIMITED**

The system of internal control is generally weak, and the exposure to risk is such that it is probable that objectives will not be, or are not being achieved. The system is open to the risk of significant error or abuse. There is no Quality Assurance Framework (QAF) within Adult Social Care which details the quality assurance activity and reporting structures to disseminate lessons learnt and issues arising. The results of Safeguarding Vulnerable Adult (SVA) audits are not reported to Senior Management despite the audits highlighting key operational practice and recording issues. In the absence of a QAF there are no clear expectations of the number of SVA audits which should be completed, there is no escalation mechanism in place for non-compliance and engagement with the audit process across the service is low.

Current audit activity focuses on the clarity of recording of the safeguarding investigation. There are no peer audits completed which focus on the quality of care management practice and improving outcomes for vulnerable adults. The SVA audit focuses on the most recent safeguarding alert and does not review the history of the file to ascertain if there are ongoing and unresolved issues requiring further escalation and prioritisation.

There is no supervision policy in place. Internal Audit sample testing identified 60% non-compliance with six weekly supervision requirements. There is no quality assurance activity in place to monitor and report on the frequency and quality of supervisions.

There are no operational flowchart/procedures which determine the SVA process and timelines. There is no analysis of multiple client, provider and alleged perpetrator SVA alerts to identify links/trends/issues arising to assist with the direction of care management and contract monitoring activity. The Safeguarding Lead's role, their responsibilities and guidance available for screening the safeguarding mailboxes, and the format for monitoring spread sheets, is not standardised or consistent across the service. Furthermore, there is no overarching monitoring role in place for ensuring that SVA investigations and resulting communications are completed satisfactorily and in a timely manner.



Internal audit testing noted SVA alerts are not routinely recorded in Swift, and inconsistent recording of key safeguarding data. Swift management reports are not routinely utilised by area teams to populate/correct data errors.

The Adult Social Care (ASC) Performance Scorecard does not include indicators which review the complete safeguarding workflow and bottlenecks arising, to enable management to effectively scrutinise and manage the operational and strategic safeguarding risks.

We noted separate instances of out-of-county clients slipping through the net and not being monitored/reviewed by Bucks.

There are 21 'High' priority actions and 5 'Medium' priority actions agreed following this audit.