

RED REPORTS ISSUED QUARTER 4

A) REVIEW OF FINANCIAL INFORMATION IN FORM F ASSESSMENTS
(Children in Care & Fostering Team, Children's Safeguarding Service Area)**1. Introduction and Scope**

- 1.1 A Form F Assessment is completed on each occasion that an application is made to become a Foster Carer
- 1.2 Form F Assessments for the Authority had been undertaken by Social Work Choices, an outside agency, under an extended contract that expired in December 2011.
- 1.3 The Assistant Director: Children's Safeguarding had identified that the private company undertaking Form F assessments on behalf of the Authority had not undertaken a financial check, which is a mandatory part of the process, for one of the assessments.
- 1.4 At the request of the Assistant Director: Children's Safeguarding, an audit review was undertaken to provide an opinion on the control environment and a level of assurance for the financial information within Form F Assessments undertaken by Social Work Choices. The Internal Audit opinion on these controls will contribute to the Annual Internal Audit opinion included in the Council's Annual Governance Statement.
- 1.5 Form F assessments undertaken by Social Work Choices were reviewed during the audit, although the scope of review concentrated on the presence of financial information within each assessment. The review only examined the Social Work Choices files provided by the Team Leader. The review also included an examination of the procurement of the contract and an overview of the other information on the Form F assessment files. No files have been examined in respect to Form F assessments undertaken by the new/current contractor.
- 1.6 We would like to thank the following for their help during the audit:
 - ✧ Team Leader – Fostering
 - ✧ Commissioning Contracts Officer

2. Management Summary and Overall Opinion

- 2.1 On the basis of the work carried out it is our opinion that the level of assurance provided by controls for the financial information in respect to the Form F assessments undertaken by Social Work Choices is Poor – the system of control is weak and there is evidence of non-compliance with the controls that do exist. There is concern over audit findings and severity of recommendations. This Poor grading was discussed and agreed with the Team Leader – Fostering.
- 2.2 At the draft report discussion it was agreed that no further work would be undertaken by Audit Services in respect to Social Work Choices Form F assessments¹. In respect to those Form F assessments undertaken after Social Work Choices and to date,

¹ The service area will confirm the existence of the 6 missing assessments by way of examination of e-mails by 31/12/12.

verification of the number will be completed. Audit Services will review the new assessments that are to be presented to panel in January 2013. The Team Leader – Fostering is to advise Audit Services when these are available for review.

- 2.3 The recommendations to improve the controls found to be unsatisfactory are categorised as shown below

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation	4	40%
Financial Regulation – immediate implementation	-	-
Policy/Procedure – implementation within a month of agreement to the report.	6	60%
Best Practice – implementation at a mutually agreed date	-	-
Total	10	100%

- 2.4 The implementation of the recommendations made in this report will further strengthen the controls and processes in this area.

B) CORPORATE PARENTING TEAM

(Achievement, Standards & Alternative Provision Team; Education & Skills Service Area)

1. Introduction and Scope

- 1.1 Following a restructure and appointment of a new Group Manager, concerns were raised by the new incumbent about a lack of policies, procedures and historic practices in relation to expenditure incurred within the Corporate Parenting Team.
- 1.2 The Group Manager has recently withdrawn and cancelled use of the Government Procurement Card (GPC) but will reintroduce following the audit and when appropriate controls have been established and the Group Manager is comfortable with internal processes.
- 1.3 An audit review was undertaken to provide an opinion on the control environment and a level of assurance for expenditure within the Corporate Parenting team. The Internal Audit review of these controls will contribute to recommendations and improvements in practice within this area and will be included as appropriate in the Annual Internal Audit opinion included in the Council's Annual Governance Statement.
- 1.4 The scope of the audit was agreed by the Group Manager – Access & Achievement.
- 1.5 We would like to thank the following for their help during the audit:
- ⌘ Service Delivery Manager – Achievement & Standards
 - ⌘ Group Manager – Access & Achievement
 - ⌘ Participation worker for Children in Care

2. Management Summary and Overall Opinion

- 2.1 On the basis of the work carried out on the previous and on-going practices in this area we propose that our opinion based on the level of assurance provided by the controls for the expenditure in this audit area is Poor – the system of control was weak and there is evidence of non-compliance with the controls that do exist. This poor grading was agreed with the Service Delivery Manager – Achievement & Standards.
- 2.2 Recommendations have been made to improve the controls found to be unsatisfactory in the knowledge that although the current GPC card has been cancelled that a new one will become operational shortly. The recommendations are categorised as shown over the page.

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation	1	7%
Financial Regulation – immediate implementation	6	43%
Policy/Procedure – implementation within a month of agreement to the report.	7	50%
Best Practice – implementation at a mutually agreed date	-	-
Total	14	100%

- 2.3 The implementation of the recommendations made in this report will further strengthen the controls and processes in your area.

AMBER REPORTS ISSUED QUARTER 4

C) CHILDREN'S PLACEMENTS

(Children in Care & Fostering Team, Children's Safeguarding Services and Integrated Planning, Placements & Commissioning, Family & Cohesion Services)

1. Introduction and Scope

- 1.1 An audit review was undertaken to provide an opinion on the control environment and a level of assurance for Children's Placements. The Internal Audit opinion on these controls will contribute to the Annual Internal Audit opinion included in the Council's Annual Governance Statement.
- 1.2 The scope of the audit was agreed by the Service Delivery Manager – Children in Care & Fostering and Service Delivery Manager - Integrated Planning, Placements & Commissioning.
- 1.3 We would like to thank the following for their help during the audit :
- ❖ Senior Finance Officer
 - ❖ Accountancy Team Leader
 - ❖ Business Support Officers (Finance)
 - ❖ Commissioning Specialist

- ✱ Commissioning Contracts Officer
- ✱ Senior Business Support Officer

2. Management Summary and Overall Opinion

- 2.1 On the basis of the work carried out we propose that our opinion based on the level of assurance provided by the controls for this audit area is Limited - whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls. This Amber grading was agreed with the Service Delivery Manager – Children in Care & Fostering and Service Delivery Manager - Business and Information Support.
- 2.2 Recommendations have been made to improve the controls found to be unsatisfactory and these are categorised as shown below.

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation	-	-
Financial Regulation – immediate implementation	5	25%
Policy/Procedure – implementation within a month of agreement to the report.	15	75%
Best Practice – implementation at a mutually agreed date	-	-
Total	20	100%

- 2.3 As part of this audit we have also followed up the implementation of recommendations made in the previous audit undertaken in 2010. The table below shows the action taken since that audit:

Recommendation Category	Implemented	Not Implemented
Legal Requirement	-	-
Financial Regulation	1	1
Policy/Procedure	6	4
Best Practice	-	-
Total	7	5

- 2.4 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes in your area.

D) TERM/SERVICE CONTRACTS

(Property & Design, Development, Housing & Business Services)

1. Introduction and Scope

- 1.1 An audit review was undertaken to provide an opinion on the control environment and a level of assurance for the term and service contracts. The Internal Audit opinion on these controls will contribute to the Annual Internal Audit opinion included in the Council's Annual Governance Statement.

- 1.2 The scope of the audit was agreed by the Surveying, Mechanical and Electrical Team Leader.
- 1.3 We would like to thank the following for their help during the audit :
 - ✖ Property & Design Manager
 - ✖ Surveying, Mechanical and Electrical Team Leader
 - ✖ Business Support Officer
 - ✖ Administration Officer

2. Good Practice Areas

- 2.1 During the audit a number of good practice areas within the process for term and service contracts were identified. These included:
 - ✖ Both of the contracted works are duly recorded in the contract register as required by Financial Regulations.
 - ✖ It was noted that there is a central record of all insurance documents for all contractors. This enables the chasing of expired certificates to be more efficient and carried out by a central officer.
 - ✖ Staff managing / overseeing the contract administration were found to be suitably qualified in contract management.
 - ✖ There are regular meetings with contractors to discuss the progress of works against the contract. These meetings are well minuted showing discussion topics and any arising actions.
 - ✖ Key Performance Indicators are monitored on a monthly basis for both the Response Maintenance Contractor and the Inspection & Maintenance Servicing Contractor.
 - ✖ Audit was able to confirm that invoices are all authorised by Council Officers with suitable delegations.

3. Management Summary and Overall Opinion

- 3.1 On the basis of the work carried out our opinion based on the level of assurance provided by the controls for this audit area is Amber– Limited Assurance - whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls. This Amber grading has been discussed and agreed with the Surveying, Mechanical & Electrical Team Leader and the Assistant Director – Development, Business and Housing during the discussions of the draft report.
- 3.2 Recommendations have been made to improve the controls found to be unsatisfactory and these are categorised as shown below.

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation	1	25%
Financial Regulation – immediate implementation	2	50%
Policy/Procedure – implementation within a month of agreement to the report.	1	25%

Best Practice – implementation at a mutually agreed date	-	-
Total	4	100

3.3 The implementation of the recommendations made in this report will further strengthen the controls and processes in your area.

E) NEWPORT INFANTS SCHOOL
(Education & Skills Services)

1. Introduction and Scope

1.1 An audit review was undertaken to provide an opinion on the control environment and a level of assurance for Newport Infants School. The Internal Audit opinion on these controls will contribute to the Annual Internal Audit opinion included in the Council's Annual Governance Statement.

1.2 We would like to thank the Administrator and the Administration Assistant for their help during the audit.

2 Management Summary and Overall Opinion

2.1 On the basis of the work carried out and the evidence provided to date our opinion based on the level of assurance provided by the controls for the school is Amber – Limited Assurance due to the number of legal requirement and financial regulation recommendations and repeat recommendations from the last audit in 2008/09. This was discussed and agreed with the Head Teacher at the draft report discussion meeting.

2.2 Recommendations have been made to improve the controls found to be unsatisfactory and these are categorised as shown below.

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation	2	7%
Financial Regulation – immediate implementation	15	52%
Policy/Procedure – implementation within a month of agreement to the report.	9	31%
Best Practice – implementation at a mutually agreed date	3	10%
Total	29	100%

2.3 As part of the audit we have also followed up the implementation of recommendations made in the previous audit. The table below shows the action taken since that audit:

Recommendation Category	Implemented	Not Implemented	No longer applicable
Legal Requirement	1	-	-
Financial Regulation	-	4	1
Policy/Procedure	6	1	
Best Practice	2	-	1

DCSF	5	1	2
TOTAL	14	6	4

2.4 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes in your school.

F) ARTHOG & THE OUT REACH CENTRE
(Leisure Facilities & Services, Neighbourhood & Leisure Services)

1. Introduction and Scope

- 1.1 An audit review was undertaken to provide an opinion on the control environment and a level of assurance for Arthog Outdoor Educational Centre, including the Outreach Centre based in Telford.
- 1.2 The scope of the audit was agreed by the Head of Centre
- 1.3 We would like to thank the following for their help during the audit:
 - ⌘ Head Of Centre
 - ⌘ Secretary
 - ⌘ Catering Supervisor
 - ⌘ 3 Outdoor Educators
 - ⌘ Finance Officer

2. Good Practice Areas

- 2.1 During the audit a number of good practice areas within the process for Arthog and the Outreach Centre were identified. These included:
 - ⌘ Due to the nature of the work undertaken at Arthog and the Outreach Centre it is pleasing to find that all instructor staff are suitably qualified in first aid.
 - ⌘ Both the Outreach Centre and Arthog were found to have adequate evacuation procedures which are provided to any visiting staff as part of the induction process.
 - ⌘ Job descriptions examined as part of this review were found to be accurate, reflecting the duties of current staff, and sufficiently up to date.
 - ⌘ The Outreach Centre keep a record for each instructor which details the date of their CRB, date of first aid certificate, qualifications and induction /training

3. Management Summary and Overall Opinion

- 3.1 Out of the 53 controls reviewed during this audit, 16 (30%) were found to be satisfactory. On the basis of the work carried out and evidence provided to date it is our opinion that the level of assurance provided by controls for this audit area is Amber – Limited Assurance - whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-

compliance with some key controls. The grading of this report was agreed with the Head of Centre, during the discussions of the draft report.

3.2 Recommendations have been made to improve the controls found to be unsatisfactory and these are categorised as shown over the page.

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation	1	2%
Financial Regulation – immediate implementation	21	49%
Policy/Procedure – implementation within a month of agreement to the report.	21	49%
Best Practice – implementation at a mutually agreed date	-	-
Total	43	100%

3.3 As part of the audit we have also followed up the implementation of recommendations made in previous audit reports. The tables below show the action taken since those audits:

Previous audit

Recommendation Category	Implemented	Not Implemented	Agreed not to implement	In progress
Legal Requirement	-	-	-	-
Financial Regulation	4	5	-	-
Policy/Procedure	9	4	-	-
Best Practice	1	2	2	1
Total	14	11 *	2	1

Special Investigation

Recommendation Category	Implemented	Not Implemented
Legal Requirement	-	-
Financial Regulation	3	4
Policy/Procedure	4	2
Best Practice	-	-
Total	7	6 *

*Recommendations re-iterated in this audit report (some recs have been combined)

3.4 The implementation of the recommendations made in this report and those outstanding from the previous reviews will further strengthen the controls and processes in your area.

G) CAR PARKING
(Highways, Neighbourhood & Leisure Services)

1. Introduction and Scope

- 1.1 An audit review was undertaken to provide an opinion on the control environment and a level of assurance for Car Parking. The Internal Audit opinion on these controls will contribute to the Annual Internal Audit opinion included in the Council's Annual Governance Statement.
- 1.2 The scope of the audit was agreed by the Transport Planning & Traffic Management Group Manager
- 1.3 We would like to thank the following for their help during the audit:
- ✱ Car Parking Officer
 - ✱ Senior Accountant

2. Management Summary and Overall Opinion

- 2.1 On the basis of the work carried out it is our opinion that the level of assurance provided by controls for this audit area is amber – limited - whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls. This amber grading, which incorporates the follow up of previous recommendations, has been discussed and agreed with the Group Manager as part of the discussions of the draft report.
- 2.2 Recommendations have been made to improve the controls found to be unsatisfactory and these are categorised as shown below.

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation	-	-
Financial Regulation – immediate implementation	-	-
Policy/Procedure – implementation within a month of agreement to the report.	5	83%
Best Practice – implementation at a mutually agreed date	1	17%
Total	6	100%

- 2.3 As part of the audit we have also followed up the implementation of recommendations made in the previous audit. The table below shows the action taken since that audit:

Recommendation Category	Implemented	Not Implemented	In Progress	Superseded
Legal Requirement	-	-	-	-
Financial Regulation	4	3	3	-
Policy/Procedure	6	9	11	1
Best Practice	-	1	-	-
Total	10	13	14	1

- 2.4 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes in your area.
- 2.5 The recommendations not implemented from the previous report are not shown again as a recommendation in this report. The current audit concentrated on income collection and the new contract with Jade Security, therefore the recommendations made in this report relate to this area only, and the previous report should still be considered current for all other outstanding actions. However the report grading incorporates both reviews.

H) PURCHASE LEDGER

(Employment Services & Purchase Ledger, Finance, Audit & IG Services)

1. Introduction and Scope

- 1.1 An audit review was undertaken to provide an opinion on the control environment and a level of assurance for the Purchase Ledger – Purchase to Pay system (P2P). The Internal Audit opinion on these controls will contribute to the Annual Internal Audit opinion included in the Council's Annual Governance Statement.
- 1.2 The scope of the audit was agreed by the Employment Services and Purchase Ledger Manager.
- 1.3 We would like to thank the following for their help during the audit:
- ✱ Purchase Ledger Supervisor
 - ✱ Two Purchase Ledger Officers
 - ✱ Theatre Assistant
 - ✱ Business Support Officer
 - ✱ Senior Accountant - Taxation

2. Good Practice Areas

- 2.1 During the audit a number of good practice areas within the process for the Purchase Ledger – Purchase to Pay (P2P) were identified. These included:
- ✱ A number of useful, easy to use guides/videos are available on the intranet which Officers can use for training / answering general queries
 - ✱ An Agresso newsletter, detailing developments and problems, is issued monthly in the Staff News

3. Management Summary and Overall Opinion

- 3.1 On the basis of the work carried out it is our opinion that the level of assurance provided by controls for this audit area is Amber - Limited - whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls. The grading of this report was discussed and agreed with the Employment Services and Purchase Ledger Manager during the discussions of the draft report.

3.2 Recommendations have been made to improve the controls found to be unsatisfactory and these are categorised as shown below.

Recommendation Category & timescale	Number	Percentage
Legal Requirement – immediate implementation	1	4
Financial Regulation – immediate Implementation	3	11
Policy/Procedure – implementation within a month of agreement to the report.	24	85
Best Practice – implementation at a mutually agreed date	-	-
Total	28	100

3.3 As part of the audit we have also followed up the implementation of recommendations made in the previous audit. The table below shows the action taken since that audit:

Recommendation Category	Implemented	Not Implemented
Legal Requirement	-	-
Financial Regulation	-	1
Policy/Procedure	15	17
Best Practice	-	-
Total	15	18*

* Recommendations re-iterated this audit

3.4 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes in your area.