

RED AND AMBER SUMMARY REPORTS QUARTER ONE 2016/17

RED REPORT - HIGH VALUE DIRECT PAYMENTS

1. Introduction and Scope

- 1.1 During October 2015 an investigation was undertaken into the suspected abuse by a client of their direct payment. As a result of this the Community Casework SDM requested that as a follow up to this that some spot checks into high value direct payments should be undertaken.
- 1.2 An audit review commenced in January 2016 to carry out these checks and to provide feedback on the direct payments records, process and monitoring.

2. Management Summary and Overall Opinion

- 2.1 It is noted that the service area have gone out to tender for direct payment support services, this has not been reviewed as part of this audit and will be followed up as part of a separate contract monitoring audit.
- 2.2 T&W Council will continue to be responsible for the monitoring of client's finances and therefore this has been reviewed as part of this audit. Although there are 349 direct payment client's only a sample of 10 were checked as part of this audit due to the lack of financial monitoring and supporting documentation.
- 2.3 The level of assurance for the spot checks undertaken by this review is **Poor** (red) – of the cases reviewed *controls are weak and there is evidence of non-compliance with the controls that do exist*. 5 recommendations were made 60% were high risk financial regulation and 40% were medium risk.
- 2.4 The key issues identified by this audit are shown below:
 - Bank statements are not being checked regularly. This would identify unspent money which could be reclaimed by the Authority. .
 - Large bank balances suggests that the client is not using the entire personal budget allocated to meet their support plan. It has been confirmed that at the time of the audit that direct payments were not reviewed when care plans are reviewed.
 - Abacus is not currently working for direct payments and therefore payments have to be manually entered into Agresso by the payments team which is time consuming but also increases the risk of errors occurring due to manual intervention.
 - The support planning team do not receive death lists and therefore could continue to make payments when no longer required.
 - There does not appear to be consistency in filing/saving of information in respect to care plans and financial information and therefore evidence/supporting information is difficult to find.
 - There is a lack of financial monitoring being undertaken of DP client's finances

AMBER REPORTS

CATERING - COMMERCIAL NURSERIES

1. Introduction and Scope

1.1 An audit review commenced in April 2016, to provide an opinion on the control environment and a level of assurance for Catering – Commercial Nurseries. The scope of the audit was agreed by the Group Catering Manager. We would like to thank the following for their help during the audit:

- ❖ Group Catering Manager
- ❖ Business Support Officer Education & Commercial Catering
- ❖ Catering Team Leader

2. Management Summary and Overall Opinion

2.1 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 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.

2.2 Recommendations have been made to strengthen the controls found to require improvement with risk ratings of High, Medium, and Low to assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High	1	11%
Medium	7	78%
Low	1	11%
Total	9	100%

2.3 The implementation of the recommendations made in this report will further strengthen the controls and processes in relation to Catering - Commercial Nurseries.

WOMBRIDGE PRIMARY SCHOOL

1. Introduction and Scope

1.1 An audit review was commenced on 9th February 2016, to provide an opinion on the control environment and a level of assurance for Wombridge Primary School. We would like to thank the Headteacher, the Assistant Heads and Office Manager for their help during the audit.

2. Good Practice Areas

2.1 During the audit an area of good practice within the processes for Wombridge Primary School was identified as there is a comprehensive staff handbook which includes financial procedures.

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 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.
- 3.2 Recommendations have been made to strengthen the controls found to require improvement and these are set out with risk ratings of High, Medium, and Low for each recommendation to assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High		
Medium	23	88%
Low	3	12%
Total	26	100%

- 3.3 As part of the audit process we also identified a minor item that did not require a recorded recommendation but was discussed at the closure/draft discussion meeting with the Head and the Assistant Head.
- 3.4 As part of this audit we also followed up the implementation of recommendations made in the previous audit in 2011. The table below shows the action taken since that audit:

Recommendation Category	Implemented	Not Implemented
Legal Requirement	2	
Financial Regulation	2	2
Policy/Procedure	3	
Best Practice	1	
Total	8	2

- 3.5 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes at Wombidge Primary school.
- 3.6 It was identified during the audit that the office manager was unaware of some of the financial and general procedures that are part of this role. To assist, the school could consider support/training from an experienced School Business Manager (SBM). If you would like details of an appropriate SBM then please contact the Audit team for contact details.

WREKIN VIEW PRIMARY SCHOOL

1. Introduction and Scope

- 1.1 An audit review was commenced on 19th April 2016, to provide an opinion on the control environment and a level of assurance for Wrekin View Primary School. We would like to thank the Headteacher, Schools Business Manager, Administrators and Wrap Around Care Officer (Breakfast Club) for their help during the audit.

2. Good Practice Areas

2.1 During the audit a number of good practice areas within the processes for Wrekin View Primary were identified. These included:

- ✳ The school website is very informative and easy to navigate.
- ✳ Records of Governors meetings filed clearly by term and include all supporting documentation.
- ✳ There is a comprehensive staff handbook in place
- ✳ Each imprest claim has a reimbursement form and the cheque is photocopied and attached to the form.
- ✳ When an invoice is paid through school fund or imprest it is attached to an authorisation slip and a copy of the cheque is attached.

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 - 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.

3.2 Recommendations have been made to strengthen the controls found to require improvement and these are set out with risk ratings of High, Medium, and Low to assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High	1	4%
Medium	16	73%
Low	5	23%
Total	22	100%

3.3 As part of the audit process we also identified a couple of minor items that did not require recorded recommendations but were discussed at the closure/draft discussion meeting with the Headteacher and School Business Manager.

3.4 As part of this 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	10	10	
Policy/Procedure	8	5	3*
Best Practice			
Total	18	15	3*

*These recommendations have been reiterated in this report.

3.5 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes in Wrekin View Primary School. However it was pleasing to see that the majority of recommendations made in the report had already been actioned by the time the audit report was agreed and issued.