

CITY OF PLYMOUTH

Subject: Internal Audit
Committee: Audit Committee
Date: 21 June 2012
Cabinet Member: Councillor Lowry
CMT Member: Director for Corporate Services
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Ref: AUD/MG
Key Decision: No
Part: I

Executive Summary:

This report summarises the work undertaken by Devon Audit Partnership during 2011/12, reviews the performance and effectiveness of the Internal Audit service, and provides an audit opinion on the adequacy of internal control. The report is particularly relevant, therefore, to the preparation of the Authority's Annual Governance Statement which is required under the Accounts and Audit (England) Regulation 2011.

Corporate Plan 2012-2015:

The work of the Internal Audit team assists the Authority in maintaining high standards of public accountability and probity in the use of public funds. The Section has a role in promoting high standards of service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations. In addition, the delivery of the Internal Audit plan assists all directorates in meeting their Corporate Improvement Priorities and achieving the shared priorities for the City and the Council.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversion and Community Cohesion:

The work of the Audit Service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

Recommendations and Reasons for recommended action:

It is recommended that:-

- 1) the report be noted;
- 2) the Audit Committee endorse the adequacy and effectiveness of Plymouth's internal audit for the year ended 31 March 2012.

Alternative options considered and reasons for recommended action:

None, as failure to maintain an adequate and effective system of internal audit would contravene Accounts and Audit Regulations 2003, 2006 and 2011.

Background papers:

Internal Audit Annual Plan 2011/12

Sign off:

Fin	AB 1206	Leg		HR	MG 1206	Corp Prop		IT		Strat Proc	
Originating SMT Member: Martin Gould, Head of Devon Audit Partnership											

1 INTRODUCTION

1.1 The Audit Committee, under its Terms of Reference contained in Plymouth City Council's Constitution, is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

1.2 The Internal Audit plan for 2012/13 has already been presented and approved by Audit Committee on 16 March 2012. The following report and appendices set out the background to audit service provision, reviews work undertaken in 2011/12, and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

1.3 The Accounts and Audit (Amendment) (England) Regulations 2006 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system, and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

2 BACKGROUND

2.1 *Service Provision*

2.1.1 The Internal Audit (IA) Service for Plymouth City Council is delivered by the Devon Audit Partnership (DAP). This is a shared service arrangement between Devon County Council, Torbay Council and Plymouth City Council constituted under section 20 of the Local Government Act 2000. The Partnership undertakes an objective programme of audits to ensure that there are sound and adequate internal controls in place across the whole of the Council. It also ensures that the Council's assets and interests are accounted for and safeguarded from error, fraud, waste, poor value for money or other losses.

2.2 *Regulatory Role*

2.2.1 There are two principal pieces of legislation that impact upon internal audit in local authorities:

- **Section 6 of the Accounts and Audit Regulations (England) Regulations 2011** which states that ".....a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control"
- ".....a larger relevant body must, at least once in each year, conduct a review of the effectiveness of its internal audit"
- **Section 151 of the Local Government Act 1972**, which requires every local authority to make arrangements for the proper administration of its financial affairs.

2.2.2 There are also professional guidelines which govern the scope, standards and conduct of Internal Audit, including CIPFA's Code of Practice for Internal Audit in Local Government and the Institute of Internal Auditors' Standards and Guidelines.

2.2.3 In addition, Internal Audit is governed by policies, procedures, rules and regulations established by the Authority. These include standing orders, schemes of delegation, financial regulations, conditions of service, anti-fraud and corruption strategies, fraud prevention procedures and codes of conduct, amongst others.

2.2.4 The Internal Audit Strategy sets out how the service will be provided and the Internal Audit Charter describes the purpose, authority and principal responsibilities of the audit function.

3 OBJECTIVES AND SCOPE

3.1 This report compares the work carried out with the work that was planned; presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

- a comparison of internal audit activity during the year with that planned, placed in the context of internal audit need;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements; and
- a statement on the effectiveness of the system of internal control in meeting the Council's objectives.

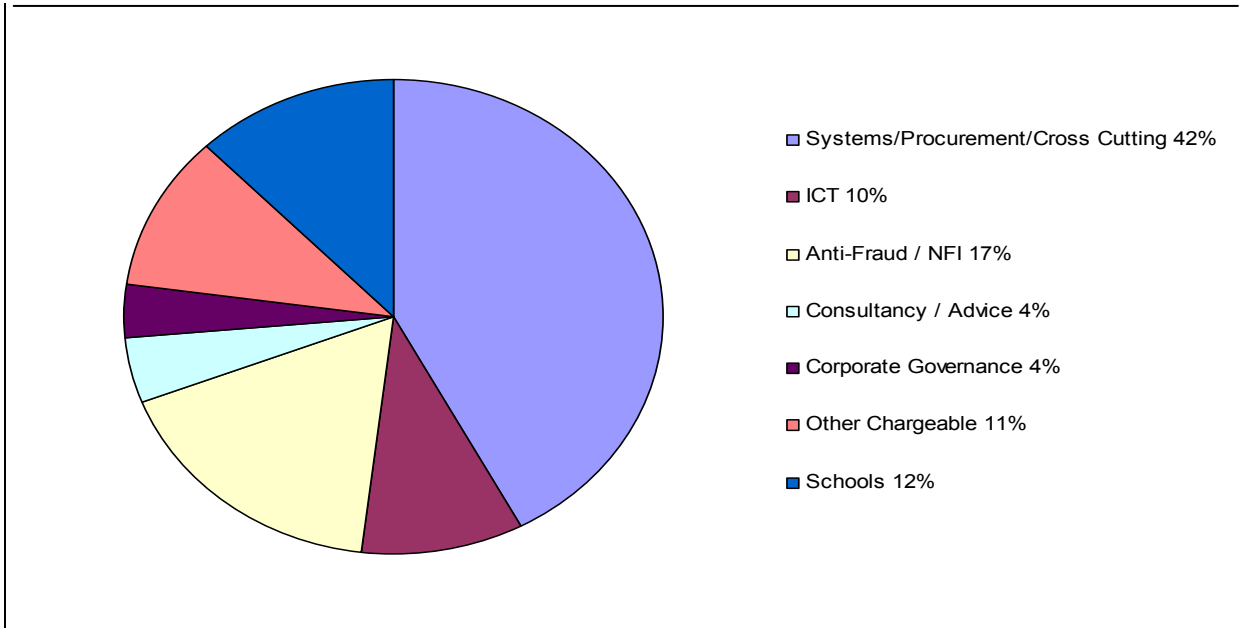
3.2. The Chief Internal Auditor is required to provide the Council with an assurance on the adequacy and effectiveness of its accounting records and its system of internal control in the Council. In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, based on risk-based reviews and sample testing, that there are no major weaknesses in the system of control. In assessing the level of assurance to be given the following have been taken into account:

- all audits completed during 2011/12, including those audits carried forward from 2010/11;
- any follow up action taken in respect of audits from previous periods;
- any significant recommendations not accepted by management and the consequent risks;
- the quality of internal audit's performance;
- the proportion of the Council's audit need that has been covered to date;
- the extent to which resource constraints may limit this ability to meet the full audit needs of the Council;
- any limitations that may have been placed on the scope of internal audit.

4 INTERNAL AUDIT COVERAGE 2011/12

4.1 *Delivery Against Plan*

4.1.1 The pie chart below shows the proportion of direct days provided in the year ended 31 March 2012, by type of audit.



4.1.2 .Appendix 1 shows the actual days of audit delivery in 2011/12 against the audit plan. It will be noticed that there was a small shortfall in the total number of audit days provided during the year; we provided 1790 days against a plan of 1974 days. When we prepare our plans we make an educated assessment of the number of days that an audit is likely to take. When the fieldwork is actually completed there is inevitably a variance from the planned days. In addition we provide an allowance for work on areas such as fraud and corruption; in some years the requirement will exceed the planned budget and in others the need for our resource will be less than planned. It should also be noted that some audits required a richer mix of staff resource due to the complexity / sensitivity of the area under review. In such instances we expect that a more senior officer will be able to complete the review in less time than a junior and also the need for managerial review of working papers will be less.

4.1.3 Appendix 2 to this report provides a summary of the audits undertaken during 2011/12, along with our assurance opinion. Where a “high” or “good” standard of audit opinion has been provided we can confirm that, overall, sound controls are in place to mitigate exposure to risks identified; where an opinion of “improvement required” has been provided then issues were identified during the audit process that required attention. We have provided a summary of some of the key issues reported that are being addressed by management. It should be pointed out that we are content that management are appropriately addressing these issues.

4.2 Systems / Procurement / Cross Cutting

4.2.1 Systems audits account for a large element of the audit plan for the year and these are summarised in Appendix 2, together with the individual audit opinions.

4.2.2 DAP has continued to attend and support a number of Project Boards and Project Teams set up to oversee significant and high profile procurement, construction, or system / service implementations projects.

4.2.3 Project work has included continued involvement with the South West Devon Waste Partnership Waste PFI project in particular advising on governance and risk issues.

4.2.4 DAP were also invited to provide advice and support to the team tasked with the purchasing of 15 refuse collection vehicles. DAP were present at meetings held to develop the

procurement approach and specification and provided comments on draft documents before they were issued to prospective bidders.

4.2.5 Projects involving the implementation of new systems or services include the procurement and implementation of new HR / Payroll systems. DAP assist in identifying any key project risks and issues, and monitors the way these have been managed and controlled as well as ensuring that good project governance is established and maintained.

4.2.6 A review of the governance and monitoring arrangements introduced as part of the transfer of the City's housing stock to Plymouth Community Homes in November 2009 found arrangements to monitor transfer promises and commitments to be of a good standard with a robust effective governance structure in place. With the abolition of the Tenant Services Authority (TSA), independent regulation has passed to the Homes Communities Agency (HCA) but to a lesser degree and with more reliance on tenant and stakeholder involvement. Consideration of the new regulatory framework, changes in the level of inspection and their impact on current governance arrangements has been subject to a further piece of work by DAP.

4.2.7 In addition, DAP have been able to certify that the Council has fulfilled its obligations with regard the submission of data and compilation of supporting evidence for the CRC Energy Efficiency Scheme in respect of 2010/11. Further work is planned for the 2011/12 returns which have to be submitted in July.

4.3 ICT (Computer Audit)

4.3.1 With the agreement of the former Assistant Director for ICT, the 2011/12 ICT Audit Plan was aligned with the Information Technology Infrastructure Library (ITIL) service model in order to provide a more structured approach to the review of the Council's ICT service as a whole. The review of specific ITIL areas will inevitably result in lower 'audit opinions' than would otherwise have been given as part of a more traditional control based review. However, in the interest of achieving the goal of an ITIL based service delivery model, it has been agreed that the IT auditors act as a "critical friend" and measure against the standards to which ICT are striving to attain.

4.3.2 A review of the organisational controls and workforce planning arrangements in place within the ICT department concluded that ICT is operating within the Council's framework of approved corporate policies, strategies and plans and that it has sound procedures in place to manage its workforce planning, development and training needs.

4.3.3 The good progress made by ICT in embedding of the ITIL methodology throughout the service serves to regulate the delivery of individual projects. However our review of overall ICT Programme Delivery found that the sheer number of projects that ICT are required to deliver remains a serious concern. The volume of work streams and projects currently identified by ICT now exceeds 200 and our review confirms that PCC's ICT service is being run in an extremely 'lean' manner.

This resourcing issue was reinforced by a review of the ICT Service Level Management arrangements, where it was found that improvements are also required. The current workload of the ICT department is extremely challenging and the risk of taking on more than can realistically be delivered and failing to fulfil customer expectations is ever present. Customer expectations have changed in recent years and there is a recognised need for improved service level management and customer communication procedures, to ensure that these expectations are managed effectively. Effective service level management is a prerequisite of effective service delivery and it will become increasingly important as partnership working and shared services arrangements become more common.

4.3.4 Our audit of ICT Availability and Capacity also identified that improvements to the service strategy and design phases will enable ICT to improve availability and capacity management and

achieve better value for money. Crucially, the individual business area will receive the level of service that they have requested at a cost that is affordable and potentially remove the need for ICT management to make decisions based on cost alone.

4.3.5 Other ICT audit work included a review of the ICT aspects of partnership working arrangements. This found a lack of clear corporate procedures to govern the arrangements and implementation of operational partnerships. Individual business areas inevitably focus on service delivery without always understanding, or recognising the existence of, the technical ICT elements of any proposed solutions. Controls need to be put in place to ensure that any proposals receive appropriate technical scrutiny at an early stage and that the necessary technical support is provided through to the 'live' environment.

4.3.6 ICT advice and consultancy work during 2011/12 included the development of a simple 'tool kit' that would be of positive benefit to the Council's ICT project management process, by ensuring that business managers understood the corporate implications of implementing any externally hosted business application (Cloud Computing Facilities). The tool kit was designed to allow potential users of externally hosted computer systems and services, to demonstrate that they have considered the risks involved and that they have complied with the Council's approved policies and procedures for acquiring such systems.

4.3.7 Throughout the year, the IT audit team have also maintained watching briefs and provided a wide range of advice and support in a number of key areas of the Council's current and emerging activities. For example, we have:

- Actively reviewed progress on the implementation of information management arrangements within the organisation and maintained a presence on the newly formed Information Lead officers Group;
- Advised on the process of selecting contractors for the fitting out of the data processing centre at Windsor House;
- Followed progress and provided advice regarding compliance with Government Connect and the Payment Card Industry security standards;
- Advised and mediated with regard to the Advanced Payment Card system pending full implementation as part of the new personal budget process.
- Monitored activity relating to business continuity developments and attended Steering Group meetings called in response to specific incidents.

4.4 Special Investigations and Anti-Fraud Work

4.4.1 Throughout the year, Internal Audit have been informed of instances of possible fraud or irregularities which have either led to advice being given to management on courses of action and improvements to controls, or auditors conducting formal investigations into the allegations.

4.4.2 In 2011/12, Internal Audit received 20 matters requiring investigation which came from officers and members of the public. Investigations into 15 of those concerns have now been completed and investigations are on-going in respect of the remaining cases. Results of these investigations included one member of staff being dismissed and seven other employees receiving disciplinary sanctions.

4.4.3 The Whistleblowing Policy aims to encourage staff to raise any legitimate concerns they may have in relation to the Council's activities. This policy, which supports the Council's Anti Fraud and Corruption Policy, makes it clear that concerns can be raised without fear of reprisals.

4.4.4 A total of two Whistleblowers came forward during the year, and both investigations which are included in the 20 cases referred at 4.4.2 above, have been concluded. The investigations related to:-

- Allegations concerning the decision making of a member of staff which was contrary to the Council's working practices and procedures for which no further action was deemed necessary, and
- Allegations regarding a failure to comply with financial regulations concerning the safeguarding of an asset, inappropriate payments and poor financial procedures which resulted in a verbal warning.

4.4.5 Throughout 2011/12, a significant amount of audit resource has been provided to a complex on-going investigation into alleged major financial irregularities within a Plymouth school. The case was passed to the police and auditors have continued to assist them during their subsequent investigations. The case has received a large amount of media coverage and is currently going through the court process. Remedial action has been taken by the school to address matters from our report for school improvement.

4.4.6 Data matching investigation work associated with the 2010/11 National Fraud Initiative (NFI) exercise has continued throughout 2011/12. The exercise, which is run every two years by the Audit Commission, requires all councils to provide data for cross-matching with information supplied by other organisations, such as the Department for Works and Pensions and the NHS, to identify potential cases of fraud and error.

4.4.7 In February 2011, the Council received a total of 15,060 data matches as a result of the exercise of which, the Audit Commission categorised 2,892 as the highest priority. In December 2011 the Council submitted its most recent electoral registration and single person's discount data as part of a separate exercise and a further 2,382 matches were received back in February 2012. Since that time, Devon Audit Partnership has engaged with the departments affected and agreed action plans to deal with the matches received. This has resulted in the cancellation of 380 blue badges and concessionary travel passes (where the holders appear to be deceased) and will prevent these badges / passes from being re-issued. In addition, £54,881 in 'savings' has been identified to date in respect of housing benefit overpayments.

4.5 Consultancy / Advice

4.5.1 Internal Audit was consulted by all sections of the Authority on many and varied topics including, for example, document retention, tenders, financial procedures and good practice etc.

4.5.2 The pro-active involvement of Internal Audit in control issues relating to new systems and changes assists in protecting the Authority from loss, fraud and abuse. This early involvement is also intended to prevent unnecessary criticism when a formal audit review is undertaken and Departments are actively encouraged to seek advice at the outset of any changes.

4.6 Schools

4.6.1 The audit plan to schools has been completed in full. Of the 34 school audits included in the 2011-12 plan, 30 were carried out across the year, three schools were deferred to the new year at the schools request and one further school has not bought audit services. All prior year deferrals have been completed. Schools have again been very appreciative of the quality of our service provided. The requirements to meet the challenges of the former FMSiS were significant for schools in their first attempt; the majority of schools met the standard prior to its abolition in November 2010. The accreditation still holds value and its status prioritised our work for achievement of its replacement, the "Schools Financial Value Standard (SFVS). We completed our audits to the new standard from inception in September 2011.

4.6.2 Revised and improved audit processes have been implemented to benefit the audit service provided to schools including the incorporation of the SFVS into the audit programme. New school audit processes have been implemented and we have been able to complete the audits generally within time allocations. The Partnership has again allowed much cross working and sharing of best practice across the Schools Team where the process is now more efficient.

4.6.3 Schools' audit reviews and programmes of testing are designed to provide assurance that there are effective internal controls in place and compliance with the Authority's funding scheme for schools, Financial Regulations and the School's Finance Policy. In addition, Internal Audit is responsible for completing the informal, assessment (i.e. it is not an accredited review) of schools arrangements against the DfE's Financial Management Standards.

4.6.4 Our opinion - based on the work to date is that the systems and controls in schools are of a "Good to High Standard" and generally mitigate the risks identified. The most common areas arising from the audits are the:

- effective demonstration of leadership and governance
- demonstrable financing of school improvement plans and;
- poor management of imprest / petty and inventories

4.6.5 Recommendations have been made to reduce risks and in other areas, recommendations made serve to strengthen what are reasonably reliable procedures.

4.6.6 Schools Financial Value Standard (SFVS) – Five schools were targeted as not having ever completed the former financial management standard FMSiS, and were specifically requested to make their returns by the 31 March 2012. All of these schools are, from a light touch review, considered to have met the key expectations of SFVS. Of the 13 schools we have reviewed in total, all meet most of the key expectations of the standard. The key issues arising are the lack of skills assessment of governors, business continuity plans and poor financing of school development plans.

4.6.7 All schools will need to make a return this year on their ability to comply with the SFVS and will continue to have to make annual returns from here on. Model answers are available on the DAP website (devonaudit.gov.uk) to help schools and training is planned for the autumn term.

4.6.8 We were part of the DfE pilot study on the SFVS which in general received positive comment from the pilot schools. Comments have been restricted to procedural aspects of its completion and the need for training and support. We fed back similar comments and the need for LA's to positively engage with the schools following review of their SFVS self-assessments.

4.6.9 Academies - 11 secondary and 2 primary schools have now become academies. DAP are in the process of marketing and bidding for internal audit services to academy schools across Devon. We have been successful in winning work for 30 schools in 15 academies across the wider Devon and are hopeful of more. Work is being re-scheduled in light of the changing market. It is considered that retention (where possible) of the internal audit for these schools will be beneficial to the school audit service as a whole.

5. INTERNAL AUDIT PERFORMANCE

5.1.1 There are no national Performance Indicators in existence for Internal Audit, but the Partnership does monitor the following Local Performance Indicators LPI's:

Local Performance Indicator (LPI)	2011/12	2011/12
	Target	Actual
Percentage of Audit plan Completed (Inc Schools)	90%	90.24%
Actual Audit Days as percentage of planned (Inc Schools)	90%	91%
Percentage of fundamental / material systems reviewed annually	100%	93%
Percentage of chargeable time	65%	69%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	98%
Draft Reports produced within target number of days (currently 15 days)	90%	80%
Final reports produced within target number of days (currently 10 days)	90%	93%
Average level of sickness absence (DAP as a whole)	2%	5.2%
Percentage of staff turnover (DAP as a whole)	5%	8.5% (3 people)
Out-turn within budget	Yes	Yes

5.1.2 Overall, performance against the indicators has been maintained, even against the backdrop of high, but unavoidable, instances of staff absence. The 7% shortfall on material systems relates to one review which is nearing completion and will ensure that the Authority has received 100% coverage in this area of the plan. It is particularly pleasing to see that customer satisfaction remains very high, which is much to the credit of the audit staff involved.

5.1.3 In addition, we have undergone a restructure exercise with the aim of reducing our costs by 10% in 2012/13 and a further 10% in 2013/14. As a result we have reduced our management team by three and restructured our operations to ensure that we can continue to deliver the high standard of work expected by our customers.

6. INTERNAL AUDIT OPINION

6.1.1 In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily within the area under review, and an opinion on the adequacy of controls is provided to management as part of the audit report.

6.1.2 All final audit reports also include an action plan which identifies responsible officers, and target dates, to address control issues identified during a review. Implementation of action plans are reviewed during subsequent audits or as part of a specific follow-up process.

6.1.3 Directors have been provided with details of Internal Audit's opinion on each audit review carried out in 2011/12 to assist them with compilation of their individual annual governance assurance statements. If significant weaknesses have been identified in specific areas, these have been considered by the Authority in preparing its Annual Governance Statement which will be accompanying its published Statement of Accounts for 2011/12.

6.1.4 Overall, and based on work performed during 2011/12, Internal Audit is able to provide reasonable assurance on the adequacy and effectiveness of the Authority's internal control environment.

Appendix 1

Progress Against Plan - 2011/12

	Planned Days	%	Actual Days	%
Systems / Procurement / Cross Cutting	948	48	756	42
ICT	176	9	174	10
Anti-fraud / NFI	250	12	309	17
Consultancy / Advice	90	5	77	4
Corporate Governance	90	5	68	4
Contingency	100	5	-	-
Other Chargeable Activities	110	6	188	11
External Clients – Schools	210	10	218	12
Total Audit Days	1974	100	1790	100

Summary of Audit work completed and Audit Opinions

Corporate Services (excluding ICT)				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Material Systems				
Loans & Investments	2010/11	Final	Good Standard	The review found a robust policy framework within which the Treasury Management activity takes place. The Audit Committee provides independent scrutiny of the Treasury Management Policy and Procedures and a TM board comprising senior officers and members meets regularly and receives regular updates of trading activity. Forecasting is accurate, enabling cash flow to be managed effectively.
Main Accounting System	2010/11	Final	Good Standard	<p>The consistent application of internal controls ensures that the main accounting system has sound governance arrangements and continues to operate effectively. Information contained in the Joint Finance and Performance reports continues to develop and the process of challenging significant budget variations has become embedded within the culture of the organisation.</p> <p>The Overview and Scrutiny Management Board have again provided robust challenge and review of the proposed budget for 2010/11.</p>
Council Tax	2010/11	Final	Good Standard	2010/11 was a challenging year set against continuing economic problems and payment issues experienced by customers of Santander, contributory factors which did result in Council Tax collection rates being below target set. However, although the target was not achieved, the consistent application of internal controls and sound debt recovery practices did result in a 0.9% increase on collection rates when compared to 2009/10. Performance was regularly monitored and a number of initiatives developed to further improve collection rates.

Payroll	2010/11	Final	High Standard	<p>Working processes are highly evolved and the system operates to a high standard of internal control.</p> <p>The maintenance of the SAP application and database remains costly and governance arrangements for administering the computer application remain complex but it is recognized that SAP will be replaced in early 2012/13.</p>
Material Systems IT Issues	2010/11	Final	Good Standard	<p>The evidence obtained during the course of this review confirms that the majority of the processes and procedures, now in place within the ICT department, are of a Good Standard. However, in order to comply with the requirements of the external auditors, this audit exercise has had to consider the procedures that were in place throughout the whole of the financial year under review (i.e. 2010/11) when new working practices were still evolving and being consolidated throughout the department.</p> <p>It is anticipated that once all of the planned improvements have been fully implemented and the issues included in this report addressed, the ICT department procedures will then be of a High Standard.</p>
Housing Benefits	2010/11	Final	Improvements Required	<p>The economic climate continues to provide a challenging environment with the average caseload increasing by approximately 5% between 2009/10 and 2010/11 and consequently performance for 2010/11 was below the target set.</p> <p>Overall, the internal control arrangements operating within the benefits system were found to be of a good standard but the lack of in claim management does pose a risk to the integrity and quality of benefit claim data.</p> <p>Fraud work would also benefit from a more intelligence led, proactive approach to ensure resources are targeted at areas of highest risk.</p>

Asset Register	2010/11	Final	Good Standard	<p>The 2009/10 baseline data uploaded onto the Technology Forge (TF) database was the subject of detailed checks carried out by the Corporate Accountancy Team with any discrepancies being identified and corrected.</p> <p>As each category of assets was updated for 2010/11, the values on TF were reconciled to the general ledger with any discrepancies being investigated and resolved. Finance planned to complete this exercise early September with discrepancies resolved by early November.</p> <p>Access to the Valuation and Finance modules of TF was found to be adequately controlled with access permissions granted in respect of each individual module. However, security could be further strengthened if the configuration is updated so that the system automatically forces periodic password changes and the minimum length for passwords is set.</p>
ICT Helpdesk	2010/11	Final	Improvements Required	<p>Internal control has improved with the introduction of self-service and the system provides a complete audit trail for each request raised. Although this has improved the overall management of user access and will enable it to evolve, the experience for the customer has deteriorated as the time taken to complete the requests are slower than that previously experienced.</p>
Main Accounting System	2011/12	Draft	Good Standard	<p>The consistent application of internal controls ensures that the main accounting system continues to operate to a good standard. The Joint Finance and Performance reports are now well established and report key financial information to Cabinet on a quarterly basis.</p> <p>The Overview and Scrutiny Management Board have continued to provide a robust challenge and review of the budget. Reconciliations continue to operate to a good standard.</p>
Revenues & Benefits System Parameters	2011/12	Final	Good Standard	<p>The procedures operating in respect of the Academy system are longstanding and applied consistently. Statutory rates and policy are applied to the system in a timely manner and the application is subject to secondary officer checks.</p>

Creditors	2011/12	Draft	Good Standard	The review found that internal controls continue to operate to a 'Good Standard' and work is ongoing to streamline processes and further strengthen the system of control. This includes the planned implementation of automatic payment authorisation.
Debtors	2011/12	In-progress	N/A	Field work is nearly complete.
Payroll (Combined business & ICT)	2011/12	Final	High Standard	<p>Existing internal working procedures, including internal control systems, remain highly evolved. Further assurance is provided by the extensive library of operational procedures, which are of the highest quality and demonstrate knowledge, attention to detail and a desire to achieve and retain high standards.</p> <p>Existing internal working procedures provide a good benchmark from which to develop effective and efficient procedures for the new Midland iTrent system to be implemented.</p> <p>Maintenance contracts for key SAP system hardware components have been extended to cover the decommissioning period and no serious outages have occurred during the current financial year. Furthermore, it is envisaged that more automated monitoring of systems will be conducted by ICT in the near future to provide more timely warnings of pending issues or component failures.</p>
Council Tax	2011/12	Draft	Improvements Required	<p>Continuing economic problems have made 2011/12 another challenging year for council tax collection. However, although collection rates are likely to fall short of the performance target set recovery have increased the collection rate for the third consecutive year.</p> <p>Progress has been made since the 2010/11 audit in respect of the monitoring of student exemptions. However, the development of an on-going review process in respect of single person's discount (SPD) which reduces gross liability by 25%, remains outstanding.</p>

NNDR	2011/12	Draft	Good Standard	An increase in empty properties and businesses entering administration are contributory factors in collection rates being below target despite consistent application of internal controls and sound debt recovery practices but overall, the NNDR system continues to operate to a good standard.
Housing Benefits	2011/12	Draft	Improvements Required	Due to the economic climate, the benefits caseload has continued to increase in 2011/12., averaging 30,000 cases. During the same period the service underwent a significant restructure but despite these factors, combined time to process new claims and change events have improved. However, performance was stronger in respect of actioning change events over new claims and it is important that the service strives to achieve a greater balance between the two.
Loans & Investments	2011/12	Draft	Good Standard	An overall opinion of 'Good Standard' has been given based on the continued evidence of clear governance and operational processes. . The use of Call Accounts has been central to the current Treasury Management activity as these have been able to offer the best rates of return within the advice provided by the external consultants, Arlingclose whose contract was renewed in January 2012. Cash flow forecasting and the management of the Council's main bank account is considered to be operating well.
Asset Register	2011/12	Draft	Good Standard	Monitoring of the Capital Programme was carried out throughout the year by senior officers and Cabinet. The five-year rolling programme for the revaluation of assets continues to be maintained. Depreciation charges for fixed assets follow the straight line method and were being accurately applied in the samples tested.

Cash Collection	2011/12	Draft	Good Standard	It is recognised that changes brought about by the recent restructure has placed additional pressure on staff but internal controls continue to operate to a good standard which is a credit to all involved. Senior Officers continue to work to streamline processes and identify efficiencies.
ICT Helpdesk Access Controls	2011/12	Draft	Improvements Required	<p>The ICT Service Desk team now administer access to the most of the Council's key financial systems and there is a complete audit trail for each request raised. The 2010/11 review identified that requests under the new system took longer to action but these now form part of a 'Service Level Agreement' and timescales have improved.</p> <p>User training and induction on 'key financial' systems is an area that needs to be strengthened and could be improve if there was better communications between the Service Desk and individuals within Departments responsible for organising training sessions.</p> <p>Adequate procedures are in place for all the systems reviewed to ensure that staff who leave or change positions within the organisation are identified, allowing their access to be reviewed</p>
Material Systems IT Issues (11/12)	2011/12	Draft	Good Standard	<p>The evidence obtained during the course of this review confirms that the majority of the processes and procedures, now in place within the ICT department, are of a Good Standard.</p> <p>It is anticipated that once all of the planned improvements have been fully implemented and the issues included in the report have been addressed, the ICT department procedures will then be of a High Standard.</p>

Corporate Services - ICT				
New Data Centre	2010/11	Final	N/A	This report was not issued as a standard report with an assurance opinion but was advice and consultancy issued directly to the Assistant Director for ICT.
Partnership Working (ICT Systems)	2010/11	Final	Improvements Required	<p>The lack of clear corporate procedures to govern the arrangement and implementation of operational partnerships could expose the Council's data assets to unnecessary risks.</p> <p>Individual business areas which identify partnership arrangements inevitably focus on service delivery without always understanding the technical aspects of any proposed ICT solutions. Appropriate controls need to be put into place to ensure that any proposals receive appropriate technical scrutiny at an early stage and that the necessary technical support is provided through to the "live" environment.</p>
BACS Transmission	2011/12	Final	N/A	<p>The PCC BACS system has been subject to external inspection which negated the need for DAP to perform work in this area as it would have been a duplication of effort.</p> <p>However, following the failure to pay teachers in July a review of what caused the incident to occur, the controls incorporated into the system for making BACS salary payments and an assessment of their effectiveness was carried out.</p> <p>The review found that there are multiple layers of sound controls built into the BACS salary payments system and, provided they are applied, they will ensure that payments are made on time. The failure was the result of human error and three minor recommendations were made to further strengthen the existing procedures. DAP consider that the response to the situation was well organised and all of the departments involved co-operated well with each other to ensure that everything ran smoothly and professionally.</p>
Event Management	2011/12	Final	Good Standard	The review found that the way in which the ICT Service Desk provides a central point of contact and the use of standardised procedures and workflows within Supportworks is very effective. Where it is possible for the ICT Service to improve further, recommendations have been made which supports the department's desire to continually improve service delivery and enhance its reputation with its customers.

Organisational Controls	2011/12	Final	Good Standard	<p>The ICT function is operating within a framework of approved corporate strategies, plans and policies and is well placed to support all other Council services in achieving their business aims and objectives. The review found that the ICT department is complying with the Council's corporate requirements and has sound departmental procedures in place to manage its workforce planning, development and training requirements.</p> <p>The current workload of the ICT department is extremely challenging and the risk of failing to fulfil customer expectations is ever present. ICT team managers already acknowledge that there is a need to re-examine the department's demand management procedures with a view to ensuring that its 'Business as Usual' functions are adequately resourced whilst, at the same time, its project workload does not exceed its ability to deliver in accordance with customer expectations and agreed time scales.</p>
Housing Benefits (IT)	2011/12	Final	Good Standard	<p>The operation of the existing Academy modules were found to be working to a good standard. System architecture was deemed sufficient in terms of capacity, processing power and resilience, with no incidents noted of system instability or lock ups caused by insufficient hardware.</p> <p>Security was found to be of a good standard overall. Physical access to hardware is satisfactory and logical access to the back end database is restricted to a small number of ICT staff. Users access the database via a virtual host, which is physically separate from the servers holding the core database, providing a good degree of protection. Data backup arrangements are working well.</p> <p>The introduction of the Self Service modules is still in the early stages and it was therefore not been possible to carry out the level of testing on implementation that had originally been planned. Delays have been caused due to the need to upgrade the core applications, operating system and database. Some recommendations have been made that will assist in ensuring best practice is used during the implementation of the modules.</p>
Business Continuity	2011/12	Ongoing	N/A	DAP continue to attend the Authority's Business Continuity Strategy Group to provide advice and support.

Hosted Services	2011/12	Final		<p>This was a piece of advice and consultancy work and did not involve the review of any existing systems or procedures upon which to give a standard audit opinion. Although the Council does have sound corporate procedures in place for the development of ICT business systems, there have been occasions when individual service departments have failed to comply with them.</p> <p>The purpose of this exercise was to produce a simple 'tool kit' that would be of positive benefit to the Council's ICT project management process, by ensuring that business managers understood the corporate implications of implementing any externally hosted business application (Cloud Computing Facilities). The tool kit was designed to allow potential users of externally hosted computer systems and services, to demonstrate that they have considered the risks involved and that they have complied with the Council's approved policies and procedures for acquiring such systems.</p>
Information Security	2011/12	On-Going	N/A	<p>DAP continue to attend and support the Management Information Security Forum (MISF) which also reports to the newly established Information Lead Officers Group (ILOG) in which Internal Audit has a role. DAP have also provided support and advice to officers on individual cases.</p>
Capacity and Availability	2011/12	Draft	Improvements Required	<p>There are considerable benefits associated with getting things right at the earliest stage providing tangible improvements to new services passing through transition into live service operation. The audit identified that improvements to the service strategy and design phases will enable ICT to improve availability and capacity management and achieve better value for money. Crucially, the individual business area will receive the level of service that they have requested at a cost that is affordable and potentially remove the need for ICT management to make decisions based on cost alone.</p> <p>The use of automated alerts for review as part of the Service Desks morning operations routine is not only more efficient, but also more effective and greatly reduces the risk of human error or oversight. At present no bandwidth management tools are used to mitigate against the risk of poor network performance. This is likely to become an increasingly important issue as more business processes consume greater and greater network resources. This area will also be impacted by any future 'Shared Services' arrangements that the Authority enters into.</p>

Service Level Management	2011/12	Draft	Improvements Required	<p>The current workload of the ICT department is extremely challenging and the risk of taking on more than can realistically be delivered and failing to fulfil customer expectations, is ever present. Customer expectations have changed in recent years and there is a recognised need for improved service level management and customer communication procedures, to ensure that these expectations are managed effectively and that the department's workload does not exceed its ability to deliver in accordance with customer expectations and agreed time scales.</p> <p>It is imperative that adequate resources are made available to create and maintain a comprehensive ICT Service Catalogue by developing the Service Design Packages, Service Level Agreements and Supplier Management arrangements necessary to support it.</p> <p>The ICT department has made significant progress in aligning its structure and working practices to the business requirements of the Council but additional resources are now required in order to develop robust Service Level Management arrangements to a level that will meet the needs of the organisation in the coming years.</p>
Access Management	2011/12	Draft	N/A	<p>A briefing note has been issued identifying the key issues that will impact on PCCs access management in the near future. As the Council becomes increasingly joined up with its partners within the city and provides the local community with electronic means of accessing services and obtaining information, so the historic corporate network boundaries become less distinct and more difficult to administer.</p> <p>The new AX platform being implemented as part of the new Transformational Change HR/Payroll system project provides the opportunity to capture all logical and physical access requirements as part of a "role based" approach. However, there is a danger that this opportunity will be lost if the resources required to achieve this are not provided. Without role based access, it is likely that there will be an increasing access management overhead as the range of access provided changes. Furthermore, there is likely to be an increased risk to the computerised information assets that have been previously well protected within the boundaries of the corporate network.</p>

Programme Management	2011/12	Final	Improvements Required	<p>The sheer number of projects ICT are required to deliver remains a concern.</p> <p>The good progress made by ICT in respect of the embedding of the Information Technology Information Library (ITIL) methodology throughout the service serves to regulate the change process required to deliver these projects.</p> <p>The introduction and use of the Microsoft Project Server project management software also provides a useful tool to manage and record individual projects, including resource management. Whilst its use is still being embedded into operational procedures it does represent a significant improvement.</p>
CareFirst	2011/12	On-Going	N/A	<p>The CareFirst Programme Team continues to provide the necessary day-to-day coordination and governance as the application continues to develop. Business process re-engineering is adding value to the services where this has already been undertaken and it is expected that this will be achieved as processes are improved in new areas.</p> <p>Reporting arrangements have been transformed and the continued development in this area is seen as genuine good practice, adding to both managerial and operational performance, as well as assisting in improving data quality. A further transformation has occurred in how CareFirst is now viewed in a positive way by most practitioners, particularly where processes have been re-engineered or use of new technology has been introduced. The introduction of new technologies to interact with CareFirst, such as CM2000, is viewed by internal audit as both an opportunity and, if not implemented properly, a potential threat.</p>
Delivery Plans - ICT	2011/12	Final	Good Standard	<p>The process followed by ICT to administer its delivery plans was found to be robust, with sound practices being supplemented by improving governance and procedural structures within ICT (based on ITIL practices and project management principles). The ICT monitoring data includes any additional financial pressures which have been identified in order to (where possible) provide a net position.</p>

Corporate Services - Other				
Carbon Management	2010/11	Final	N/A	DAP have been able to certify that the Council has fulfilled its obligations with regard the submission of data and compilation of supporting evidence for the CRC Energy Efficiency Scheme. An earlier audit review was able to provide management with the assurance that systems and processes were in place to enable officers to compile the necessary information accurately, in time for the submission deadline in July.
Telephony	2010/11	Final	Good Standard	DAP has continued its watching brief of the Council's implementation of a call centre management system and other associated telephony and communications projects. Observations on the process and key issues have been reported in a briefing note to management, issues that include technical complexity and integration, systems administration, training and staff development, quality assurance and call monitoring, compliance with Data Protection Act and Payment Card Industry requirements, data security, risk management and business continuity.
CRB and Independent Safeguarding	2010/11	Final	Good Standard	<p>Policy and guidance documents were found to be up to date and accessible but regular monitoring and updating needs to be continued in a structured way taking into account the timetables for change driven by Central Government reforms.</p> <p>The use of SAP has ensured that CRB data can be properly managed and is utilised effectively. The QA process helps to ensure that the data in the SAP system is accurate.</p> <p>PCC appeared to be compliant in the majority of areas with the CRB Code of Practice.</p>

Payroll Procurement & Transfer from SAP	2011/12	In Progress	N/A	<p>As this is a high risk project, DAP have been asked by management to provide support and advice. This started with assistance during the accelerated procurement of consultancy and implementation services for the project and DAP was able to give assurance that the process was conducted in line with policy and procedures.</p> <p>DAP will continue its involvement during the implementation phase of the project ensuring the solution incorporates sufficient business and ICT controls, as well as monitoring project governance and the management of risks.</p>
Accommodation Strategy	2011/12	Ongoing	N/A	DAP has continued its watching brief of the Accommodation Strategy project, to provide support and assurance on project governance and the management of risks facing the project.
New Procurement Policies & Strategies inc Procure to Pay Project	2011/12	On-Going	N/A	Support and advice given. Some of the planned resource used in the review of Refuse Collection Vehicle procurement (see above).
Housing Benefit Claim Checking	2011/12	Ongoing	N/A	Time was allowed for in the audit plan for DAP to provide support to Housing Benefits by carrying out independent accuracy checking on HB claims. A number of days were delivered at the request of the department.
Review of Refuse Collection Vehicle Procurement	2011/12	Final	N/A	A review of the 2007 procurement exercise was requested by the Director for Corporate Support, ahead of a similar exercise that took place during the 2nd Quarter of 2011. The review found that a radical, innovative but untried solution in terms of vehicle specification and ways of working drove the procurement. The recommendations made following the review were taken into consideration by the team undertaking the 2011 procurement.
Delivery Plans – Invest to Save	2011/12	Final	Good Standard	<p>The governance arrangements of two ‘Invest to Save’ projects within the Department for Services for Children and Young People where reviewed and found to be of a good standard. These projects will support the Authority in delivering its key objectives and the achievement of ongoing revenue savings. The projects were:-</p> <ul style="list-style-type: none"> • ASD and Complex Needs • Parent and Child Assessment Team

Data Quality	2011/12	Not Started		Due to the use of audit resources elsewhere in the 11/12 Audit Plan , this audit was not undertaken
Local Performance Framework	2011/12	Final	N/A	<p>The Corporate Plan 2011/14 set out the shared vision and priorities for the City and the Council and a range of high level long term and medium term outcome measures along with a variety of partnership indicators have been agreed to measure achievement against delivering the priorities.</p> <p>The following priority measures were reviewed and it was found that the systems and methodologies in place to collect and report on these indicators were operating effectively.</p> <ul style="list-style-type: none"> • Percentage of attendances at Sports Development Unit activities by people from deprived neighbourhoods • First Time Entrants to the Youth Justice System aged 10-17 • Number of Young People Re-Offending • Number of Visitors to Museums and Archive Services • Library Visits per 1,000 Population • Number of Enquiries to the Tourist Information Centre • Number of Inward Investment Enquiries • Number of Category 1 Hazards Removed
Payment to Consultants & Advisors	2011/12	Draft	Improvements Required	<p>The system introduced in November 2011, to determine an individual's employment status prior to engagement is effective.</p> <p>This process, in the main, is compliant with HMRC best practice and will provide the Council with the necessary evidence that individual employment status has been correctly determined. However the review has identified that the process is not yet completely embedded and there are inconsistencies in compliance with it. Further improvements to the level of information obtained and recorded for future reference would improve the robustness of the process and provide the Council with demonstrable evidence that would mitigate any risk of HMRC challenge.</p>
Procurement & Management of Consultants & Advisors	2011/12	Not Started		Initial research was undertaken as part of Payment to Consultants & Advisors audit (see above). However, detailed fieldwork not undertaken due to lack of resources.

Capital Programme – Delivery	2011/12	Not Started		Due to the use of audit resources elsewhere in the 11/12 Audit Plan, this audit was not undertaken
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Place				
Plymouth Market	2011/12	Final	Improvements Required	The review had identified that although not complete at the time of the audit, considerable progress has been made in implementing the improvement plan resulting from the January 2010 audit review. The Market now appears to have effective governance arrangements and a good team environment which would be further enhanced through the successful recruitment of an Assistant Manager.
Section 106	2011/12	Final	Good Standard	<p>The systems and procedures currently in place to identify and record Section 106 Planning Obligations are sound overall. They ensure that if a planning application includes Section 106 Obligations it can be easily identified. However, there is still a major element of human input required and therefore a risk that individual obligations could be missed or input incorrectly.</p> <p>The processes for identifying and reporting that Section 106 funds are available were found to have improved greatly and are more efficient as a result of the redevelopment of the Section 106 database and the overall level of knowledge of those officers involved in the audit review appeared to be very good.</p>
Planning Applications and Appeals	2011/12	Final	High Standard	A robust governance structure is in place with defined processes and procedures that ensure probity within the City of Plymouth's Local Planning Authority. Procedures in place for the processing of planning applications and appeals were clearly defined and understood. Planning applications and appeals were found to be effectively and efficiently recorded and processed with decisions being made in accordance with planning legislation and policy.

Waste Management - SWDWP - (Waste PFI)	2011/12	On-Going	N/A	DAP continues to support the South West Devon Waste Partnership Waste PFI project as it now works through the planning application stage, following the award of the contract to MVV Umwelt. DAP have been asked to advise on governance and risk issues, in particular the Partnership's approach to Section 106 negotiations that would minimise the risk of impact on a timely planning decision, whilst at the same time ensuring that the Partnership are not seen to be acting inappropriately.
Life Centre, Leisure Management, Pavilions Projects	2011/12	On-Going	N/A	DAP continue to support and advise the various project teams as well as the Culture, Sport and Leisure Programme Board, in providing assurance on project governance, the management of risks facing each project as well as the compliance with procurement practices and procedures, particularly where Competitive Dialogue has been utilised. DAP was present at the evaluation of the submissions received from bidders in respect of the Pavilions project and at the de-brief session with the unsuccessful bidder.
Refuse Collection Vehicle Procurement	2011/12	On-Going	N/A	DAP were invited to provide advice and support to the team tasked with the purchasing of 15 refuse collection vehicles. Audit were present at meetings held to review previous procurements, develop the procurement approach and specification and provided comments on draft documents before they were issued to prospective bidders.
Chelson Meadow Restoration Final Account	2011/12	Complete	N/A	At the request of the Council, DAP oversaw an audit of the Waste Infrastructure Delivery Contract at Chelson Meadow, undertaken by Mott MacDonald. The review was as the result of a significant and sudden variance to the forecast costs for completion, presented by the contractor in October 2011. A final report produced by Mott MacDonald was reviewed by DAP, prior to it being issued in May 2012.
Blue Badges	2011/12	On-Going	N/A	Initial discussions with relevant officers involved in the administration and monitoring of blue badges to identify ways of tackling misuse in the City and assess impact of new Government reforms.
Local Carbon Framework	2011/12	Complete	N/A	Grant Certification

New Growth Point 10/11	2011/12	Complete	N/A	Grant Certification
Urban Bus Challenge 10/11	2011/12	Complete	N/A	Grant Certification
Contaminated Land Capital Projects Prog 10/11	2011/12	Complete	N/A	Grant Certification
Community Infrastructure Fund	2011/12	Complete	N/A	Grant Certification

People				
PCH Monitoring 10/11	2010/11	Final	Good Standard	<p>A robust governance structure has been implemented post stock transfer that allows both PCC and PCH to work together to deliver shared objectives for the future through the promises to tenants, whilst also allowing both organisations to be independent. Governance arrangements have been clearly defined, agreed by both parties and appear to work effectively with clear reporting lines up and down the structure.</p> <p>Performance, in respect of promises made to tenants, is reported by PCH on a quarterly basis. Performance data is subject to review by PCC and any anomalies challenged. However, PCC rely on the fact that the performance figures produced by PCH are accurate, no validation process is undertaken or formal assurances obtained to confirm the accuracy of the reported performance.</p> <p>Sufficient arrangements are in place to manage the service level agreements (SLA's) in place between PCC and PCH. The work involved in renegotiating the SLA's has been considerable but has now been finalised.</p> <p>PCH are subject to the Tenant Services Authority's (TSA) regulatory framework from which PCC can gain assurance. However, the Government intend to</p>

				abolish the TSA, with the regulatory role for housing associations passing to the Homes Communities Agency (HCA). It is intended that independent regulation will continue under the HCA but to a lesser degree and with more reliance on tenant and stakeholder involvement.
PCH Monitoring 11/12	2011/12	Final	N/A	<p>The Regulatory Framework for Social Housing came into effective in April 2010 but the abolition of the TSA, reduced inspection regime and reliance on local accountability mechanisms pose a risk to service delivery and outcomes for tenants.</p> <p>To protect taxpayers, proactive economic regulation will continue with a greater focus on value for money. This will provide the necessary assurances that housing associations are financially viable and well governed. PCC, as the Strategic Housing authority, can take assurance from economic regulation assessments and include within their monitoring arrangements consideration of Landlord's Annual reports, Local Offer documents and any independent external validation that has taken place.</p> <p>There are also potential benefits that can be realised through synergies between PCC and its strategic partners who can harness the work of Housing Associations engagement with local communities and their role in identifying local priorities.</p> <p>Greater engagement at strategic level across the sector will help to meet the objectives of the Big Society and Localism Bill that are the golden thread throughout government policy. PCC, as the Strategic Housing authority, should have an understanding of outcomes from tenant engagement processes and links should be made with the city's Housing Strategy.</p>
PCH Monitoring 10/11 Follow-Up	2011/12	Not Started		To be carried out in 2012/13
Choice Based Lettings 10/11 F/U	2011/12	Not Started		To be carried out in 2012/13.

Supporting People	2010/11	Final	High Standard	<p>There have been changes in the past year, the main one being the integration into Adult Social Care. In addition, the Plymouth Supporting People Partnership Commissioning Body held their last meeting in September 2010.</p> <p>The Supporting People 5 year strategy came to an end in 2010. A new Commissioning Plan for 2011/14 for Supporting People is being developed which will set out the strategic direction for the provision of low preventative services over these three years.</p> <p>The procedures and process for the procurement of services and their subsequent monitoring have been maintained at a high standard since the issue of the last audit report in March 2010. This is much to the credit of the staff as members of the Supporting People Team.</p>
CareFirst Residential Care Payments	2010/11	Final	Good Standard	<p>The Residential Care Payments system aids in the processing of payments to residential and nursing care providers based on data being collected and processed through the CareFirst system. Information provided by the Corporate Performance Team, as at 4 January 2011, confirmed that there were 894 service users in long stay residential care and 136 in temporary (short stay) care, as compared to 181 in long stay nursing care and 17 in short stay nursing care.</p> <p>This audit identified that the systems operated for payments has achieved a 'good standard' in the areas reviewed; much to credit of those staff involved in the processes..</p> <p>In the June 2009 follow up, it was noted that there were outstanding actions to make on the recommendations previously made. However, it was pleasing to note that action has been taken to address these points and where recommendations had been implemented, the revised processes continued to be used.</p> <p>With the Council acting as agent for the Plymouth PCT in making payments through the Funded Nursing Care and Continuing Health Care schemes, an agreement has been put in place with the PCT to ensure the Council receives a fixed monthly payment in advance of the payments being made to providers.</p>

Safeguarding Adults	2010/11 (Started 2011/12)	Final	Good Standard	<p>The Plymouth Safeguarding Adults Board has a diverse membership and meets the national guidance objectives of approving and implementing a multi agency policy, co-ordinating activity between agencies, facilitating joint training and also monitoring and reviewing progress. This multi agency approach is vital to reduce the risks to service users from a fragmented and individualised approach to safeguarding.</p> <p>The creation of supporting sub groups such as the Lead Officers Group has helped to ensure that the board can be effective and focus on the high level issues rather than the day to day safeguarding provision. The sub groups help to implement and manage actions and provide feedback to the Board. The production of annual reports helps to ensure that the Board are made aware of local and national issues and can be in a position to be ahead of changes and identify potential areas for improvement.</p> <p>The Council's Safeguarding Adult Manager plays a key role in ensuring that there is an effective process in place to support referrals which demands the majority of the available time. Some recommendations were made relating to the management and administration of the Safeguarding Adults Board and Sub Groups which are considered as good practice and would be required if the board is placed on a statutory footing.</p> <p>It is evident from the work undertaken that overall there is a commitment from all partners to provide an effective multi agency safeguarding service. However, the supporting governance documentation could be strengthened further and the processes should be universally adhered to.</p>
Data Quality - Govt Returns	2011/12	Final	Good Standard	<p>Overall, the arrangements in place for managing submission of the RAP and ASC-CAR statutory government returns, for the year ending 31 March 2011, were of a good standard.</p> <p>Considerable effort had been made by performance officers, even at a time of significant change within the Adult Social Care (ASC) Policy and Performance team, enabling the completion and submission of the statutory returns by the deadline.</p> <p>Devon Audit Partnership supported the performance team by carrying out data accuracy validation checks on the ASC-CAR and key areas of the RAP.</p>

				Potential problems and other areas of concern found during the audit validation checks were referred back to the Performance Team to investigate and where necessary make amendments to the return prior to its submission to the NHS Information Centre.
Client Finance Services	2011/12	Final	High Standard	<p>The completion of financial assessments for service users and /or their representatives has been carried out by the Client Finance Services Team promptly with notifications of any contributions, including a 'nil contribution' being sent out to these individuals.</p> <p>The result of the review of the processes and procedures has been given as 'High Standard' which is due to the staff in the Team carrying out this process.</p>
Commissioning & Contracting (inc Supporting People)	2011/12	In-progress	N/A	The audit commenced in March 2012 and the majority of the fieldwork has been carried out.
Non Residential Services Billing (NSIBS)	2011/12	Draft	Good Standard	<p>With progress being made towards Personalisation and Self-Directed Care, it is now expected that NSIBS will no longer be required in the medium to long-term and therefore, there are no longer plans for a replacement system.</p> <p>There is a possibility that this transition could take longer than anticipated. It is also possible that some clients may refuse direct payments or pre-loaded cards and insist on retaining their commissioned services. In the interim and for those clients who wish to retain commissioned services there will still need to be a system in place for client billing and for the payment of providers.</p> <p>It is understood that a decision has been made that no new services are to be added to NSIBS from April 2012 as there will be no more commissioned services. There should to be some clear direction on how commissioned services are to be dealt with in the future and who will be responsible for making decisions on how the cases that do not "fit" into the personalisation criteria will be recorded, paid for and client's billed. These cases will need to be identified and solutions found before NSIBS is phased out.</p>
Domiciliary Care	2011/12	Ongoing	N/A	To be carried out in 2012/13 following service restructure as part of Reablement.

Personalisation	2011/12	Ongoing	N/A	To be picked up further as part of service restructure 2012/13.
CareFirst Implementation / Charteris	2011/12	Ongoing	N/A	To be picked up further as part of service restructure 2012/13.
CareFirst Residential Care Payments F/Up	2011/12	Not Started	N/A	Rescheduled to early 2012/13.
Safeguarding Adults (F/Up)	2011/12	Not Started	N/A	Rescheduled to 1 st quarter of 2012/13 due to delays in finalisation of draft report.
Commissioning & Contracting (Children)	2011/12	Draft	Good Standard	<p>The Children and Young People's Plan (C&YPP) 2011-2014 has been developed following a comprehensive programme of work that included a complete needs analysis and input from service users, providers and stakeholders through a range of engagement mechanisms.</p> <p>The Commissioning Intentions Plan should be recognised as an excellent tool for implementing joint commissioning of services and should be further developed and embedded within the planning, delivery and evaluation of services to Children and Young People. This should in turn enable the outcomes identified in the C&YPP to be achieved and provide a solution to commissioning services at a time of reduced funding.</p> <p>The Finance and Commissioning Programme Board is an effective medium through which C&YP finance and commissioning plans are considered, agreed and enabled. Business cases for commissioning the appropriate services to deliver priority outcomes set out in the Commissioning Intentions Plan are submitted for consideration and approval. Reporting of these to the Departmental Management Team (DMT) and the C&YP Trust Board is via the Finance and Commissioning Programme Board.</p>
CareFirst Fostering	2011/12	Draft	Improvements Required	<p>The review of the payment process identified a number of areas where improvements need to be made including full and accurate completion of supporting paperwork and the clarification of the perceived value of the authorisation stages. The payment process is predominantly manual which increases the risk of errors being made or missed.</p> <p>The use of standardised paperwork ensures that carer details are obtained in a</p>

				uniform manner and it is recognised that staff work hard to ensure that foster carers receive their payment each week.
'Diversion of Children from Care' Plan	2011/12	Suspend Audit work at request of auditee.	N/A	DAP was informed that it was not a good time for this piece of work as a decision had been made to re-plan the DfC project. Children's Services Finance & Commissioning Board 18 th January 2012 agreed to revisit / re-profile the project plan - to inform a refreshed Phase 2. Suggest audit taken forward into the 2012/13 financial year.
School Transport Delivery Plan	2011/12	Final	N/A	Overall the school transport delivery plans are likely to provide savings during 2011/12. The need for alternative savings was identified to meet the full savings target. Other areas within Learner and Family Support (Catering and Selling Services to Academies) were identified to meet the shortfall and these are on target to meet their objectives (taken from the Quarter 3 Delivery Plan - December 2011). Concessionary Transport and Re-Routing of Special Educational Needs (SEN) transport were examined during this audit review.
CareFirst Care Leavers (Follow Up)	2011/12	Final	N/A	The follow-up review found that good progress had been made in implementing the recommendations made.
Data Quality Children's EMS (Follow Up)	2011/12	Not Started	N/A	Awaiting response from department as to convenient time to commence the 'Follow Up'.
Children's Independent Sector Placements (Follow Up)	2011/12	Final	N/A	The follow-up review found that good progress had been made in implementing the recommendations made.
School Construction Projects	2011/12	On-Going	N/A	DAP have continued to support and advise the Tor Bridge High and High View construction projects. DAP were asked to support the construction project at Boringdon Primary.

Academies Delivery Project	2011/12	On-Going	N/A	DAP were invited onto the Project Board overseeing the delivery of £21m investment at two of the city's Academy schools. DAP have been providing assurance over project governance, risk management and compliance with procurement practices and procedures.
Basic Needs Programme	2011/12	On-Going	N/A	DAP have been able to support the Basic Needs Programme, offering advice and assurance on process and procedures involving procurement, risk and governance.