

CITY OF PLYMOUTH

Subject: Internal Audit – Progress Report
Committee: Audit Committee
Date: 13 December 2012
Cabinet Member: Cllr Lowry
CMT Member: Director for Corporate Services
Author: Robert Hutchins, Head of Devon Audit Partnership
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Ref: AUD/RH
Key Decision: No
Part: I

Purpose of the report:

This report reviews audit work carried out since April 2012 and comments on performance. Based on work performed to date during 2012/13, Internal Audit is able to provide reasonable assurance on the adequacy and effectiveness of the Authority's internal control environment.

Corporate Plan 2012-2015:

The work of the internal audit service assists the Authority in maintaining high standards of public accountability and probity in the use of public funds. The service 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 Povert, Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

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
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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 2012/13

Sign off:

Fin AB		Leg		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Robert Hutchins, Head of Devon Audit Partnership											

1 Introduction

This report provides a summary of the performance against the internal audit plan for the 2012/13 financial year for the period up to September 2012, highlighting the key areas of work undertaken and summarising our main findings and recommendations aimed at improving controls. However, it should be noted that Appendix A provides progress on audits up to November.

The key objectives of the Devon Audit Partnership (DAP) have been to provide assurance to the Audit Committee, Section 151 Officer (Director for Corporate Services) and senior management on the adequacy and security of the systems and controls operating within the Council and to provide advice and assurance to

2 Opinion

In our opinion, and based upon our audit work completed so far in this year and in previous years, we consider that adequate arrangements are in place to control the operations of Plymouth City Council.

Where weaknesses have been identified and recommendations made to strengthen controls, management have provided response to the recommendations reported. Where appropriate, we shall undertake follow up work to ensure that risks continue to be suitably controlled.

3 Performance against the Plan

Overall, good progress has been made against the plan agreed with management and the Audit Committee for the 2012/13 financial year. As at the end of September 2012, 89% of the planned audits had commenced (against a target of 45%), 48% of audit fieldwork had been completed (against a target of 45%) and 43% of the expected number of audit days had been provided (against a target of 48%). Further details are provided at appendix C of this report.

Due to the fluidity of audit delivery some audits relating to the previous year (2011/12) have been brought to conclusion in 2012/13.

At this stage we remain confident that we will be able to deliver the internal audit plan

4 Executive Summary

Appendix A details the assurance opinions for individual audits so far completed in 2012/13. The definitions of the assurance opinion ratings are given in Appendix C.

Corporate Services - In our opinion, and based upon our audit work completed so far this year and in previous years, we consider that adequate controls are in place to mitigate operational risks in this Directorate.

Where weaknesses have been identified, management have agreed these findings and have either agreed the recommendations or accepted the associated risks. Where management actions have been agreed and as appropriate, we shall undertake follow up work to ensure that risks continue to be suitably controlled.

Overall, good progress has been made against the plan agreed with management for the 2012/13 financial year. Progress in the first six months has included completion of work carried forward from 2011/12, undertaking follow up audits on areas where significant findings were made in the previous year, and in completing assignments in accordance with timescales agreed with management.

To date no significant concerns have been identified from our work; previous years work identified that the overall control environment was operating effectively, and this view continues.

People - In our opinion, and based upon our audit work completed during this year and in previous years, we consider that adequate controls are in place to control operations in the People Directorate.

The Commissioning & Contracting audits in respect of both Children and Adults have been completed and the final reports issued. Officers involved with contracts had a good understanding and knowledge of their areas of work along with good working relationships with other members of the Team and with the Strategic Procurement Team.

ASC commissioning plans clearly demonstrate how commitments in local strategic plans have been used to inform the services that will meet the needs of local people; the introduction of the Market Position Statement (MPS) has also supported this. The development of a Joint Health and Wellbeing Strategy will further develop this by enabling the direct translation of joint commitments into joint commissioning plans. Commissioning plans were found to have been based upon sound evidence and reflect national policy, guidance, local strategic plans, research and best practice.

Place - In our opinion, and based upon our audit work completed so far in this year and in previous years, we consider that adequate controls are in place to control operations within Place. Overall, good progress has been made against the plan agreed with management for the 2012/13 financial year.

DAP reviewed the evidence compiled by officers to support the City Council's annual CRC Energy Efficiency Scheme submission, as required by the Environment Agency. We were able to provide assurance that the Council has fulfilled its obligations with regard to its annual submission prior to the submission deadline of 31st July 2012.

DAP has continued to support the South West Devon Waste Partnership Waste PFI project following it achieving successful financial close on the contract. In addition, Audit has had involvement in establishing the process for monitoring and reporting

the contractor's compliance with planning conditions and constraints during its site activities

Schools - We have made good progress in the delivery of our audit plan to schools and schools have again been very appreciative of the quality of our service. The requirements to meet the challenges through change to the SFVS are significant. We are focusing all of our effort to achieve the targets and support schools to the fullest of our ability.

Improvements Required - our opinion is that the systems and controls in schools mitigate the risks identified in many areas. However, there are risks exposed in key areas which reduce overall assurance.

The key matters arising from the audits are the:

- understanding of financial management by governors as evidenced by the requirements of the Standard
- demonstrable financing of plans for raising standards and attainment; and,
- inventories and asset management.

5 Irregularities

Preparations for the 2012/13 NFI Data Matching Exercise commenced during the first half of this year, with data from pensions, creditor payments, salaries, blue badges, care homes and parking permits administered by the Authority, uploaded (via the secure upload portal) to the Audit Commission's NFI website in early October. 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.

The subsequent matching reports should be received back from NFI at the end of January 2013 and examined either by Internal Audit or provided to relevant departments for their investigation.

Corporate Services – DAP received allegations concerning two officers in the Place Directorate in relation to their work as canvassers for the Electoral Roll exercise. Audit have assisted in the subsequent investigation, including the examination of relevant documents.

People - In the first half of 2012/13, Internal Audit have carried out, or assisted in, a number of investigations. These include the alleged submission of false claims for mileage and additional hours by a social worker, alleged misuse of the internet by an officer, as well as an allegation from a member of the public regarding the inappropriate obtaining of personal data by an officer.

Place – There have been no significant irregularities brought to our attention during the first half of 2012/13 within the Place Directorate.

Schools - There have been no significant irregularities brought to our attention during the first half of 2012/13 although work has continued on providing support to the Devon and Cornwall Constabulary as part of their investigation at St Boniface's Catholic College.

6 Inherent Limitations

The opinions contained within this report are based on our examination of restricted samples of transactions / records and our discussions with officers responsible for the processes reviewed.

7 Acknowledgements

We would like to express our thanks and appreciation to all those who provided support and assistance during the course of the audits undertaken during the first six months of the 2012/13 financial year.

Robert Hutchins
Head of Audit Partnership

Audit Status, Assurance Opinion and Executive Summaries 2012/13 – Up to November 2012

Corporate Services (excluding ICT)				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Loans & Investments	2011/12	Final	Good Standard	<p>An overall opinion of 'Good Standard' was given based on the continued evidence of clear governance and operational processes.</p> <p>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.</p>
Capital Accounting (Asset Register)	2011/12	Final	Good Standard	<p>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.</p> <p>Depreciation charges for fixed assets follow the straight line method and were being accurately applied in the samples tested.</p>
Cash Collection 11/12	2011/12	Final	Good Standard	<p>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.</p>

Main Accounting System 11/12	2011/12	Final	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>
NNDR	2011/12	Final	Good Standard	<p>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.</p>
Creditors	2011/12	Final	Good Standard	<p>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.</p>
Council Tax system	2011/12	Final	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>
Housing Benefits	2011/12	Final	Improvements Required	<p>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</p>

				<p>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.</p>
ICT Service Desk - System Admin	2011/12	Final	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 and if necessary removed.</p>
Debtors System	2011/12	Final	Good Standard	<p>The debt collection rate has improved for the second year in a row from 94.5% with £51m collected in 2010/11 to 97.7% and £66.3m collected in 2011/12. Service areas continue to collect payments in advance wherever possible and the debtors team demonstrate a pro-active approach to collecting income prior to the due date by making contact with customers before formal non-payment reminders are generated.</p> <p>Responsibility for dealing with returned and rejected direct debits now sits with the Debtors Team as it is perceived that they have the knowledge of a debtor's circumstances and can therefore</p>

				deal with the debtor promptly and with the required level of sensitivity.
Revenues & Benefits Systems Parameters	2012/13	Final		Procedures for updating the Academy system with statutory and local rates are well established and consistently applied. Whilst there was a significant restructure of the revenues & benefits service in 2010/11 and responsibility for end of year system processes transferred to the Service Improvement Team within Customer Services, key staff also transferred providing business continuity. Reconciliations are completed to ensure that the opening figures on the Academy system balance to the rating list (NNDR) and valuation list (council tax) both of which are produced and maintained by the Valuation Office Agency. Bills are printed and despatched centrally by Print and Document Services (PADS). Whilst PADS provided details of the number of NNDR bills posted at main billing in March, despite the information being requested by the Service Improvement Team for council tax bills, this information was not provided although it was subsequently obtained during the course of the audit review. It is important that this information is provided promptly to enable the service to check that all of the bills calculated for main billing have been printed and posted by PADS.
Main Accounting System	2012/13	In Progress		
Payroll	2012/13	In Progress		<i>Review of the SAP legacy system has commenced, work on the new system will not start until 'go live' in Q4.</i>
Housing Benefits	2012/13	Not Started		

KFS Access Controls	2012/13	Not Started		
Creditors	2012/13	Not Started		
Council Tax System	2012/13	Not Started		
Debtors System	2012/13	Not Started		
Loans & Investments	2012/13	Not Started		
Capital Accounting (Asset Register)	2012/13	Not Started		Work on this review will not commence until May 2013 as work to update the asset register does not start until after year end.
NNDR	2012/13	Not Started		
Cash Collection	2012/13	In Progress		
CRB 10/11 Follow-Up	2011/12	Final	N/A	The original report found the system to be operating to a good standard and the planned follow-up review found that good progress had been made in implementing the action plan.
Capital Programme 10/11 Follow-Up	2011/12	Final	N/A	The original report was of a good standard and this follow-up review has confirmed that adequate progress is being made towards implementing the action plan. Work is currently underway with the Web Team to establish an information page which will provide complete information, highlight

				best practice and consistency in complying with robust governance arrangements. This will enable the final recommendation to be implemented with the publishing of a capital definition paper through staffroom to support Officers involved in capital investment in determining what expenditure can be classified as capital.
Capital Programme - Delivery	2011/12	Not Started		
Payroll System Procurement and Transfer from SAP 12/13	2012/13	On-Going		<p>DAP continue to provide support and advice to this project. 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 continues 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>
Revenues & Benefits - Policy Changes	2012/13	On-going		At the request of management, DAP are providing ongoing support and advice to the Revenues & Benefits Service project team who are responsible for the development of the localised council tax support scheme which comes into effect in April 2013.
Risk Management	2012/13	Final	Embedded & Integrated	<p>Overall risk management arrangements operating within Plymouth City Council Directorates are considered to be “Embedded and Integrated”. Risk management is championed by Directors and senior managers who challenge the risks to the organisation and understand their risk appetite. A framework of risk management processes is in place and used to support service delivery.</p> <p>The arrangements operating within Corporate Services, People, Place and the Executive Office have each been considered as part</p>

				of this review. The Authority is going through a period of significant reorganisation and this has created challenges for the Risk Champions but much work has been carried out to determine the objectives of new service areas and to re-evaluate the risks to service objectives.
Schools Loan Scheme	2012/13	In Progress		
Schools Financial Value Standard	2012/13	On-Going		Outturn for 2011-12 DSG CFO Statement. Review of school submissions for 2012/13.
New Procurement Policies & Strategies inc Management and Monitoring of Contracts	2012/13	Not Started		
P2P Project	2012/13	Not Started		
Capital Programme - Delivery 11/12 Follow-Up	2012/13	Not Started		
Corporate Services - ICT				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Service Level Management	2011/12	Final	Improvements 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. These expectations have changed in recent years and there is a

				<p>recognised need for improved service level management and customer communication, to ensure that 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	Final	N/A	<p>A briefing note has been issued identifying the key issues that will impact on PCC's 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</p>

				increased risk to the computerised information assets that have been previously well protected within the boundaries of the corporate network.
Capacity and Availability	2011/12	Draft	Improvements Required	<p>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 Desk's morning operations routine is more efficient, more effective and greatly reduces the risk of human error or oversight. At present no bandwidth management tools are used to mitigate 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>
New Data Centre (inc storage & backup)	2012/13	On-going		DAP have continued to be involved in the project tasked with introducing the new data centre at Windsor House, attending Project Board meetings and providing advice to the project as required.
CRM Dynamics AX2012	2012/13	On-going		Ongoing watching brief and have provided advice and support. This has included an Auditor deployed as part of testing resource for AX iTrent interface.
Information Security	2012/13	On-going		DAP continue to attend and support the Management Information Security Forum (MISF) which also reports to the Information Lead Officers Group (ILOG) established in 2011/12, in which Internal Audit has a role. DAP have also provided support and advice to

				officers on individual cases.
CareFirst 6	2012/13	Final	Good Standard	Since the last full audit review significant progress has been made in the way that the CareFirst application, and the overall system, is administered. Crucially a more appropriate level of resources, and core expertise, has been allocated.
ICT Service Strategy	2012/13	Final	Improvements Required	<p>The overall assurance opinion is merely a reflection of where the ICT department is on the long journey of improvement that it has embarked upon and the opinion goes on to highlight the good progress that has already been made and that which is planned.</p> <p>Effective service strategy management is a crucial element of the overall service delivery process and this is reflected in the Council's ICT Strategy and Business Plans. Some preliminary work has already been undertaken in each of the key areas associated with the ICT Service Strategy but ICT managers acknowledge that there is still some way to go before this part of the ITIL process can be said to be fully 'fit for purpose'. However, some of the key requirements are already in place.</p> <p>The ICT department has been developing and embedding ITIL standards, in all service areas, for a number of years now and are continuing to do so. This has enabled the department to accomplish significant improvements in service delivery processes during this period and to achieve a more customer focussed and professional level of service delivery. However, the department does still receive a degree of criticism from some quarters and ICT managers acknowledge the fact that there is a need to improve the way in which some aspects of their service are currently managed, in order to meet the expectations and perceptions of the customer more effectively. In order to achieve this, it is essential to develop a sound Service Strategy Framework which provides the foundation upon which all other stages of ICT service delivery are based.</p>

				The ICT department has already made significant progress in aligning its structure and working practices to the business requirements of the Council but, in order to improve still further and position itself for the future, it is now essential that robust service strategy management arrangements are developed to a level that will meet the needs of both the ICT department and the organisation, as a whole, in the coming years.
Academy (HB Self Serv Portal)	2012/13	In Progress		DAP are providing support and advice to the Project set up to implement the Self Service Portal and ensure that transition arrangements are robust.
Material Systems IT Issues	2012/13	Not Started		
Release & Deployment	2012/13	Not Started		
Corporate Telephony System	2012/13	Not Started		
ICT Compliance Board & Follow-up of previous audits	2012/13	On-going	N/A	Regular meetings are held with ICT managers to discuss progress with agreed action plans that resulted from recommendations made in audit reports.
Cross Cutting				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Payment to Consultants & Advisors	2011/12	Final	Improvements Required	The system introduced in November 2011, to determine an individual's employment status prior to engagement is effective and in the main, is compliant with HMRC best practice and will provide the Council with the necessary evidence that individual

				<p>employment status has been correctly determined. However this review has identified that the process is not completely embedded and there are inconsistencies in compliance with it.</p> <p>It should be noted that by the time the action plan was finalised, some of recommendations have already been implemented.</p>
Carbon Management	2012/13	Complete	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.
Accommodation Strategy	2012/13	On-going		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.
Corporate Information Management	2012/13	On-going		DAP continue to attend and support the Information Lead Officers Group (ILOG) set up in 2011/12.
Business Continuity	2012/13	On-Going		DAP continue to attend the Authority's Business Continuity Strategy Group to provide advice and support. A review of a selection of Business Continuity Plans has commenced.
Use of Purchasing Cards	2012/13	In Progress		A sample of purchasing cards across all areas were identified for review, the fieldwork will be completed once schools have started back and the cards identified in the test sample which are held by schools have been reviewed.
Payment to Consultants & Advisors 11/12 Follow-Up	2012/13	Not Started		

Significant Partnerships 10/11 Follow-Up	2011/12	Not Started		
Procurement and Management of Consultants and Advisors 11/12 Follow-Up	2012/13	Not Started		

People Directorate

Audit Area	Year	Status	Assurance Opinion	Executive Summary
Commissioning & Contracting (Children)	2011/12	Final	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. Priorities and associated outcomes were identified following robust consultations and work is continuing to formally approve and communicate the resulting plan. Plymouth City Council have clearly demonstrated through this work with Strategic Partners that it understands the needs of local people and recognises the outcomes it wants to achieve.</p> <p>The plan to deliver intended outcomes has been further developed this year through the Commissioning Intentions document. For each of the priorities identified, the Commissioning Manager has mapped out the alignment of partner funding allocated to individual work streams that will achieve the planned outcomes set out in the C&YP plan. This clearly demonstrates that Plymouth Strategic Partners have shared values and a commitment to their service users. However it is recognised there are difficulties in obtaining complete financial information from all Partners. This is, in part, due to differing organisational strategic and transformational</p>

			<p>change agendas, particularly as a result of the impact of the current economic climate. However, 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> <p>Following the approval to commission services, the C&YP Commissioning Team instigate an end to end commissioning process that results in formal contract arrangements with service providers that will deliver outcomes for children and young people whilst ensuring value for money.</p> <p>Two recent contracts were examined in detail during the audit process: Cost and Volume (Independent Placements) and Children's Centres (in particular the City Centre and Stonehouse Children's Centre).</p> <p>Officers involved with these contracts had a good understanding and knowledge of their areas of work along with good working relationships with other members of the Team and with the Strategic Procurement Team. Where officers were unsure on how they should proceed they were comfortable in seeking advice from</p>
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				either the Commissioning Manager or from Strategic Procurement to ensure they were following corporate procedures.
Commissioning & Contracting (Adults)	2011/12	Final	High Standard	<p>Although arrangements continue to be developed, particularly around joint commissioning and contracting with Health, current arrangements demonstrate that Plymouth City Council is best placed to lead the way forward in delivering highly effective services that meet the outcomes of the Plymouth locality whilst ensuring value for money.</p> <p>Governance arrangements for the Commissioning of Adult Social Care (ASC) services have recently undergone changes. Proactive action has been taken to put into place a governance structure that will enable effective commissioning of ASC services with the potential to include other local community and people services. The implementation of the Joint Commissioning Partnership should be commended as this will prove a key driver of the joint commissioning vision.</p> <p>ASC commissioning plans clearly demonstrate how commitments in local strategic plans have been used to inform the services that will meet the needs of local people; the introduction of the Market Position Statement (MPS) has also supported this. The development of a Joint Health and Wellbeing Strategy will further develop this by enabling the direct translation of joint commitments into joint commissioning plans. Commissioning plans were found to have been based upon sound evidence and reflect national policy, guidance, local strategic plans, research and best practice. They include comprehensive population needs, service, market and resource analyses.</p> <p>Commissioning plans have been developed with partners and have involved all key stakeholders including users, carers, local communities and service providers in the statutory, private and third</p>

				<p>sector. The plans have clearly specified the outcomes to be achieved for service users, and what services will best deliver those outcomes over time.</p> <p>Opportunities to jointly commission services have been identified and taken. The introduction of the Joint Commissioning Partnership will further support the commissioning of services to the people of Plymouth through a single integrated process that in turn will facilitate the joint deployment of resources. This is recognised as best practice.</p> <p>Recommendations have been made to further strengthen overall strategic commissioning management tools including monitoring of actual activity against planned activity, introduction of strategic commissioning risk management arrangements and a process of commissioning evaluation that considers if commissioning activity actually delivered the outcomes it set out to achieve as well as to inform future plans.</p> <p>It was noted that the procurement exercise for the Learning Disability - Complex Framework and the Learning Disability - Forensic Framework were abandoned in November 2010 following Legal advice. It was judged that to award the contract would present a significant risk to Plymouth City Council in terms of contractual liabilities. The procurement process was re-started in July 2011 and it was this tendering exercise that was examined during the audit.</p>
Non Residential Services Billing (NSIBS)	2011/12	Final	Good Standard	<p>It is expected that NSIBS will no longer be required, due to Personalisation and pre-payment cards, in the medium to long term and so there are no plans for a replacement system. However, this transition could take longer than anticipated. In the interim and for clients who wish to retain their commissioned services there will still need to be a system in place for client billing and payment to</p>

				providers. Duplicate payments amounting to over £137,000 were made to a provider during 2011. These payments had been incorrectly processed by Creditor's section. However, the problem was exaggerated by Adult Social Care processing the payment again on an instruction from Creditors.
CareFirst Fostering	2011/12	Final	Improvements Required	<p>The use of standardised paperwork ensures that carer details are obtained in a uniform manner which has resulted in an opinion of high standard being given for this area.</p> <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. Manual intervention also increases the risks associated with staff absence or the loss of staff.</p> <p>This report also recommends that the frequency of the payment run is reviewed as increasing the period between payments may reduce the pressure on staff involved throughout the process and could potentially give more flexibility to foster carers.</p> <p>Overpayments were found to be well recorded and although the policy was out of date, the process was being consistently applied. A key factor of overpayments is the late receipt of paperwork which supports the view, during the audit that paperwork was not completed in a timely and accurate manner.</p> <p>It is recognised that staff work hard to ensure that foster carers receive their payment each week.</p> <p>The overall opinion of improvements required reflects the need to review the processes in place to make sure they are suitable, well communicated and supported by fully completed paperwork.</p>
PAPH / Community Interest Company / Co-ordinator	2012/13	Final	N/A	This was a briefing note for the Assistant Director and Principal Advisor. The briefing note consisted of 22 recommendations. The Assistant Director commissioned Legal and HR to carry out further

Arrangements				work in these specialised areas. This review can be considered as part of the due diligence that the LA needs to be carrying out. This briefing note has highlighted issues that need to be considered as Education moves forward.
School Census	2012/13	Draft	High Standard	<p>For many years, responsibility for the management of the School Census was carried out the Council's 'Education' department. Following restructures, responsibility was transferred to the Executive Office - Policy, Performance and Partnerships Team. The members of staff who were in 'Education' have been transferred to the Executive Office which has ensured continuity in the collection, review and subsequent use of school data collected through the School Census process. This has process has been effectively managed to a high standard.</p> <p>The City Council is reliant on all schools, maintained and academy, collecting, verifying and inputting accurate data into their pupil databases; the majority of the maintained schools use the Capita system, SIMS.net. From discussions with officers, it is apparent that the school data submitted as part of the School Census may not always be accurate when compared to data held on other corporate systems such as Capita One and the social services database, Care First.</p> <p>The process for the collection of school data has greatly improved over the years with the introduction of COLLECT. This allows schools to validate their data to ensure that it is in the appropriate format and that certain criteria have been met.</p> <p>With the City Council now using the Capita software, B2B, there has been an improvement in the data held on the Capita One system. Through agreement with the primary schools, data is extracted from their databases and compared to information held on Capita One with updates being made where required. At</p>

				<p>present, this is on limited basic data sets such as names, date of birth and address but has been expanded to pull in exclusion and attendance data. There is on going work with the secondary schools to allow the Council access to their data using the B2B software.</p> <p>The Census cycle takes approximately 6 weeks to complete and this happens three times a year. Although there has been a reduction in the number of maintained schools due to conversion to academies, there has been no marked reduction in the time spent by the 3Ps team to complete a School Census.</p>
Life Centre, Leisure Management, Pavilions Projects	2011/12	Ongoing	N/A	DAP has continued 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 bids in respect of the Pavilions project and at the de-brief session with the unsuccessful bidder. Audit have also provided support and advice on contract monitoring issues with regard the Leisure Management contract with SLM.
CareFirst Residential Care Payments Follow / Up	2011/12	Ongoing	N/A	.Awaiting responses from various staff.
Data Quality Children's EMS Follow / Up	2011/12	Ongoing	N/A	Awaiting response from auditee.
School Construction Projects	2012/13	On-Going	N/A	DAP have continued to support and advise a number of construction projects including Tor Bridge High, High View and Boringdon Primary.

Basic Needs Programme	2012/13	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.
Academies Delivery Project	2012/13	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.
Transfer of Public Health	2012/13	Ongoing		
Health & Wellbeing Boards	2012/13	Ongoing		
Children's Disability Team (Integrated)	2012/13	Ongoing		
Troubled Families Programme	2012/13	Ongoing		
Family Group Conferencing	2012/13	Ongoing		
Special Education Needs	2012/13	Ongoing		
Impact of ASC Restructure on controls	2012/13	On hold		As per Strategic Finance Manager for People. To seek replacement of this audit at Programme Board 21.11.12.
Personalisation / Individual Budgets	2012/13	On hold		As per Strategic Finance Manager for People. To seek replacement of this audit at Programme Board 21.11.12.
CareFirst – Reablement	2012/13	On hold		As per Strategic Finance Manager for People.
CareFirst - Residential Care Payments	2012/13	On hold		As per Strategic Finance Manager for People.

Localities Co-ordination	2012/13	Not Started		
Fostering & Adoption Panel Processes / EDRMS	2012/13	Not Started		
CareFirst - Children Independent Placements	2012/13	Not Started		
Proof of Concept Team (POC)	2012/13	CANCEL		The Proof of Concept Team no longer exists as the new structure is in place for Adult Social Care - pick up under the effective of controls following the restructure. To seek replacement of this audit at Programme Board 21.11.12.
Client Finance Services 11/12 Follow Up	2012/13	Final	n/a	Of the 4 recommendations made in the report, one has been cleared but 3 are dependent on the new ways of working in ASC following restructure. Follow up only - implementation of all recommendations is part of the ASC restructuring.
Care First - Fostering 11/12 Follow Up	2012/13	Not Started		
Commissioning & Contracting (Adults) 11/12 Follow Up	2012/13	Not Started		Asst Director for Jnt Commissioning & ASC on 14.11.12 requested that this review be delayed until Q1 of 2013/14 (they've just started consultation, all staff to be interviewed).
Commissioning & Contracting (Children) 11/12 Follow Up	2012/13	Not Started		Q1 2013/14 - as per comment above.

Safeguarding Adults F/U	2011/12	Not Started	N/A	Rescheduled to 3 rd quarter of 2012/13 due to delays in finalisation of draft report.
Tamar Education Business Partnership	2012/13	Removed from Plan		This audit was removed from the plan due to the closure of the TEBP in the summer of 2012 further to the Partnership failing to win a tender.
Place				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Smart Ticketing LSP	2012/13	Not Started		Dept for Transport has not yet issued audit requirements.
Waste Management - SWDWP - (Waste PFI)	2012/13	On-Going		DAP continues to support the South West Devon Waste Partnership Waste PFI project, advising on governance and risk issues. We have also been involved in discussions regarding the development of a Financial Allocation Mechanism and procedures to monitor the contractor's compliance with planning conditions and constraints on site activities during the construction phase.
Sale of Civic Centre	2012/13	On-Going		DAP has been providing advice, support and assurance to the team tasked with the sale of the Civic Centre. Audit has been able to bring its experience of previous major procurement exercises and was present at meetings to discuss the procurement approach, specification and evaluation criteria as well as attend a project risk workshop. Audit was present at the opening and evaluation of PQQ submissions and has attended the subsequent first round of competitive dialogue sessions with those bidders who were successful at PQQ stage.
Plymouth Market 11/12 Follow-Up	2012/13	In Progress		

Blue Badges	2012/13	In Progress		The blue badge service transferred from Adult Social Care to Parking in May 2012 and Devon Audit Partnership have been working with Parking to review and streamline procedures to improve efficiency and cost effectiveness.
Public Protection Services	2012/13	In Progress		Some work has been carried out regarding the implementation of portable devices to support the service in delivering efficiency savings and liaison with finance officers regarding central support charges in preparation for the setting of local fees and charges. However, the main piece of work is scheduled to commence in Q3.
Commercial Leases	2012/13	In Progress		
Planning Applications and Appeals 11/12 Follow-Up	2012/13	Not Started		Planned for Q4. Original report opinion was 'high standard' and of the four recommendations made, two were low priority and one had been implemented by the time the action plan was agreed.
Section 106 11/12 Follow-Up	2012/13	Not Started		Planned for Q4. Original report opinion was 'good standard'.

Mt Edgcombe Accounts 11/12	2012/13	Final	Good Standard	<p>In accordance with Regulation 6 of the Accounts and Audit Regulations 2003 Devon Audit Partnership carried out a review of the Mount Edgcombe Joint Committees financial accounting systems and internal control arrangements in place for the 2011/12 financial year.</p> <p>Overall arrangements are of a good standard. There has been a significant amount of work undertaken during 2011/12 to reduce expenditure and achieve a balanced budget. A new business plan has been developed that reduces subsidy requirements in the short and medium term. Work continues to look at a range of cost cutting and income generating measures that will enable objectives to be achieved.</p>
New Growth Point Grant 2011/12	2012/13	Complete		Grant certification.
Local Transport Block	2012/13	Complete		Grant certification.

SFVS Results 2012-2013

Risk Assessment Summary of Audit Opinion

High Std = 3	Good Std = 2	Improvements Req. = 1	Space = Not tested or N/A
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School	D/E No.	Auditor	Audit Date	Met SFVS Yx = Yes - External assmt. Ys = Yes - Self-assmt.	The Governing body and School Staff	Setting the Budget	Value for Money	Protecting Public Money	Mandatory Policies	Requisitions, Orders and Payments	Imprest (Petty Cash)	Debit & Procurement Card	Attendance Registers and Annual Pupil Census	Personnel, Payroll and Payments	Single Central CRB Record	Income Collector and Banking	Lettings	Security	School Trips	Inventory	Minibus	Total	Areas	%
Mount Wise Community Primary School	2674	GS	10/12/12	No																				
Plympton St Mary's C of E Infants	3760	CT	02/11/11	No																				
Mount Street Primary School	2643	GS	12/11/12	No																				
St George's C of E Primary School	3758	TR	16/10/12	No																				
Elburton Primary School	2701	TR	22/05/12	Yes	2	3	3	3	2	2	2	3	3	2	3	3	3	2	3	2		41	16	85
St Paul's Catholic Primary School	3764	GS	24/04/12	In Part	1	2	2	2	3	3	2		3	1	2	3		2	1	2		31	15	69
Stuart Road Primary School	2659	TR	08/10/12	No																				
Cann Bridge School	7063	TR	28/01/09	No																				
Salisbury Road Primary School	3774	GS	06/12/12	No																				
Riverside Community Primary School	3772	TR	28/05/12	Yes	2	3	2	3	2	2	2	2	3	2	3	3			3	2	3	34	14	81
Notre Dame RC School	4605	RA	18/06/12	In Part	2	3	2	3	2	3	3	2	3	2	3	2	3	3	3	2		44	17	86
Plymbridge Nursery School	1009	RA	29/05/12	In Part	1	1	2	2	1	2	3	3	3	2	3	3		2		3		31	14	74
Victoria Road Primary School	2660	GS	11/07/12	In Part	1	1	1	2	3	1	3		3	2	2	2	1	2	3	2		29	15	64
Mount Tamar School	7067	GS	20/04/12	In Part	2	2	2	2	2	2	3	2	3	2	3	2		3	2	2	2	36	16	75
Thornbury Primary School	2708	CT	08/07/09	No																				
St Peter's C of E Primary School	3759	GS	16/10/12	No																				
Whitleigh Community Primary School	2729	RA/JG	15/10/12	No																				
Sir John Hunt Community Sports College	4172	RA/JG	15/10/12	No																				
Woodlands School	7062	RA/JG	15/10/12	No																				
Beechwood Primary	3770	GS	19/11/12	No																				
Oakwood Primary School	3769	GS	21/11/12	No																				
Yealmpstone Farm Primary School	2707	GS	25/10/12	No																				
Eggbuckland Vale Primary School	2703	GS	04/10/12	No																				
St Peter's Catholic Primary School	3766	GS	29/05/12	In Part	2	2	2	1	2	2	3	3	3	2	2	2		2	1	1		30	15	67
Eggbuckland Community College	4185	RA/RT	04/02/13	No																				
St Edward's C of E Primary School	3162	JG	12/12/12	No																				
Plaistow Hill Infant School	2668	TR	02/10/12	No																				
Austin Farm	5403	JG	04/12/12	No																				

2012/13 Results to date		13	17	16	18	17	17	21	15	24	15	21	20	7	16	16	16	5	Average Score	75		
Total Score		13	17	16	18	17	17	21	15	24	15	21	20	7	16	16	16	5				
No. of Schools		8	8	8	8	8	8	8	6	8	8	8	8	3	7	7	8	2				
% of Max achievable score		54	71	67	75	71	71	88	83	100	63	88	83	78	76	76	67	83				
Total less than good standard		3	2	1	1	1	1	0	0	0	1	0	0	1	0	2	1	0				
% less than good standard		38%	25%	13%	13%	13%	13%	0%	0%	0%	13%	0%	0%	33%	0%	29%	13%	0%				

Definitions of Audit Assurance Opinion Levels	
Assurance	Definition
High Standard.	The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. We have made only minor recommendations aimed at further enhancing already sound procedures.
Good Standard.	The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.
Improvements required.	In our opinion there are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.
Fundamental Weaknesses Identified.	The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an extent that the objectives and / or resources of the Council may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.

Internal Audit Performance Data – April to September 2012

Activity	Target Standard	Achievement 12/13 to date
Percentage of Audit Plan started	45%	74%
Delivery of Audit Plan (annual target)	90%	43%
Actual Days delivered against plan (annual target)	90%	45%
Percentage of chargeable time	65%	63%
Customer satisfaction (percentage of customers “very satisfied” or satisfied”)	90%	93%
Draft audit reports to be produced within 15 working days of completion of work	90%	68%
Final reports produced within 10 days of agreeing action plan	90%	84%
Average level of sickness	2%	3.7%
Percentage of staff turnover	5%	10%