SWAP
SOUTH WEST AUDIT PARTNERSHIP
Delivering Audit Excellence

Herefordshire Council

Report of Internal Audit Activity

Plan Progress 2017/18 Quarter 3

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Contents

The contacts at SWAP in connection with this report are:

Gerry Cox
Chief Executive
Tel: 01935 385906
gerry.cox@southwestaudit.co.uk

Ian Baker
Director of Quality
Tel: 07917628774
ian.baker@southwestaudit.co.uk

Jacqui Gooding
Assistant Director
Tel: 07872500675
jacqui.gooding@southwestaudit.co.uk

Our audit activity is split between:

- **Operational Audit**
- **School Themes**
- **Governance Audit**
- **Key Control Audit**
- **IT Audit**
- **Grants**
- **Other Reviews**

Role of Internal Audit

The Internal Audit service for Herefordshire Council is provided by South West Audit Partnership Limited (SWAP). SWAP is a Local Authority controlled Company. SWAP has adopted and works to the Standards of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS), and the CIPFA Local Government Application Note. The Partnership is also guided by the Internal Audit Charter approved by the Audit and Governance Committee at its meeting on 21 March 2017.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes:

- Operational Audit Reviews
- Cross Cutting Governance Audits
- Annual Review of Key Financial System Controls
- IT Audits
- Grants
- Other Special or Unplanned Review

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 1

Outturn to Date:

We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action

Internal Audit Work Programme

The schedule provided at Appendix C contains a list of all audits as agreed in the Annual Audit Plan 2017/18. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

Each completed assignment includes its respective "assurance opinion" rating together with the number and relative ranking of recommendations that have been raised with management. In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. The assurance opinion ratings have been determined in accordance with the Internal Audit "Audit Framework Definitions" as detailed on pages 14 and 15 of this document.

To assist the Committee in its important monitoring and scrutiny role, in those cases where weaknesses have been identified in service/function reviews that are considered to represent significant service risks, a summary of the key audit findings (Priority 4 and 5) that have resulted in them receiving a 'Partial Assurance Opinion' have been summarised in Appendix D.

S W A P
SOUTH WEST AUDIT PARTNERSHIP
Delivering Audit Excellence

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 2

Outturn to Date:

We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action

Internal Audit Work Programme

This is the quarter 3 update for 2017-18. Twenty-two audits have been completed since my last update and there are eight audits at Draft report waiting for management responses. Six audits were assessed as Partial assurance and fifteen significant findings were identified across the six audits.

The following audits have been completed since the last update:

Audit	Assurance
Procurement of Wide Area Network Contract	Advisory
Market Intelligence	Partial
School 1 Prevention of Fraud	Partial
School 2 Prevention of Fraud	Partial
School 3 Prevention of Fraud	Partial
Serious and Organised Crime Checklist	Partial
Emergency Planning – Public Health	Partial
Electronic Signatures	Reasonable
Schools Financial Value Standard	Follow Up
Accounts Payable	Follow Up
Accounts Receivable	Follow Up
Main Accounting	Follow Up
Council Tax	Follow Up
NNDR Business Rates Avoidance	Reasonable
Payroll – Review of IR35	Reasonable
Payroll	Follow Up
Property Services – Accounts payable	Follow Up
Hardware and Software Asset Management	Follow Up
Catering Contract	Follow Up
Recruitment Contracts	Follow Up
Housing and Council Tax Benefits	Follow Up
ICT Client Management	Reasonable

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

SWAP SOUTH WEST AUDIT PARTNERSHIP Delivering Audit Excellence

Page 3

Outturn to Date:

We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action

Internal Audit Work Programme

Market Intelligence – Partial

The objective of the audit was to provide assurance that the market intelligence data that is being used to steer the new domiciliary care framework and other services within Adults and Wellbeing Directorate is of sufficient quality to obtain adequate care provision. The Council is currently in the process of going out to tender for the new domiciliary care contract, to commence on 1st April 2018.   The proposed 'Care at Home' contract will be an open framework, thus allowing new providers to tender after 1st April 2018 and be added to the framework if they meet the criteria. It is recognised that a significant amount of work has been undertaken to improve the level of intelligence available to senior management covering current service performance. However, work on the dashboards for Residential and Nursing Care and Domiciliary Care is still in progress, and as such, all of the information required by senior management in relation to monitoring and forecasting is not currently available to them.

In terms of forecasting, while this area has been addressed for domiciliary care in the form of the recently compiled report to inform the tendering process for the new Care at Home contract, work is still required for residential and nursing care. While the need for this has been identified within the Commissioning Team, and a draft report produced, there is still a significant amount of work to be carried out in this area, which will require support from senior management to ensure that staffing resources are made available for this. In addition, the data for both reports, which were still in draft at the time of the audit, will also require a process of vigorous challenge before assurance can be taken that the conclusions within the reports are based on accurate and reliable data.

The means to review, verify and manage data, together with assigning both resources and target dates to all verification and market research activities are needed before ongoing reliance can be placed on the forecasting data. There were six priority 4 findings that are summarised in Appendix D and ten priority 3 findings.

Schools – Prevention of Fraud – Partial

The Prevention of Fraud audit reviews processes to ensure that schools have adequate controls in place to safeguard against fraudulent or improper use of public money and assets. The review covered the following areas:

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 4

Outturn to Date:

We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action

Internal Audit Work Programme

- financial management checks, reconciling accounts at the end of each month and keeping an audit trail of documents;
- separation of duties -no one member of staff should be responsible for both validating and processing a transaction, for example certifying that goods have been received and making the payment for them
- strictly limited access to systems for authorising and making payments
- spot checks on systems and transactions - this will help identify new risks and measure the effectiveness of existing controls. It also indicates to staff that fraud prevention is a high priority
- investigation and logging of every incident of irregularity, including instances of attempted fraud

Three schools were audited and there were six priority 4 findings and twenty priority 3 findings. A themed report is produced to summarise weaknesses identified and areas of good practice and this is shared with schools through Spotlight for Children.

The priority 4 findings were identified in the following areas:
- purchasing of goods and services, use of purchase orders,
- processes for purchases above a pre-determined amount,
- insurance arrangements for cash and cheques.

As well as the priority 4 findings overall improvements were needed in the following areas across the three schools:
- maintaining clear documented audit trails, including detailed minutes
- governors' fraud and finance training
- declaration of interests; and
- asset register.

Serious and Organised Crime – Partial

A Home Office report following pilots on the threat Serious and Organised Crime poses to publicly procured services in Local Authorities (LAs) and how to respond to that threat made a number of recommendations. The recommendations included using the Serious and Organised Crime Checklist and conducting a Serious and Organised crime audit.

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 5

Outturn to Date:

We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action

Internal Audit Work Programme

The audit objective was to ensure that the Council has arrangements in place to protect itself and its customers from Serious and Organised Crime whilst recognising the need for proportionality in its response. The audit reviewed the following key areas:
- Governance and Strategy,
- Operational Controls,
- Insider Threat

Awareness of Serious and Organised Crime was found not to be consistent across the Council and some staff were not aware of useful documentation and guidance that is available. Further to this there is no single point of contact for Serious and Organised Crime. The audit identified one priority 4 finding summarised in Appendix D and six priority 3 findings.

It is recognised that there are several different areas where work is currently ongoing to improve controls that link to the risk of Serious and Organised Crime including:
- Development of a multi-agency partnership register; the Head of Corporate Governance hopes to have a first draft of the register by mid-September,
- Improved controls in relation to data sharing across the Council;
- Improvements to HR processes including; a review and update to employee's code of conduct, declaration of interests to become an electronic form that all employees will need to complete even if a nil return, a review of the requirement for all staff to complete a DBS check (see partner comparison at appendix A), pre- employment checks for internal transfers, declarations of secondary employment to be for all staff as opposed to the current requirement of grade HC7 and above.
- Training for staff with purchasing responsibilities by Procurement Team because of new Contract Procedure Rules.

Emergency Planning – Public Health
The audit assessed the Council's internal resilience in respect of emergency planning required as a category 1 responder under the Civil Contingencies Act 2004 and other relevant legislation.

Outturn to Date:

We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action

Internal Audit Work Programme

The audit covered the following areas:
- Emergency and resilience plans,
- Business continuity management,
- Critical services and officer deployment,
- Emergency business plan exercises in conjunction with the Local Resilience Forum(LRF), and the Tactical Co-ordinating Group (TCG),
- Effectiveness of Herefordshire Council's links and operations with the LRF and the TCG.

The audit identified the following well controlled areas:
- The Emergency and Resilience plans that had been reviewed by the Emergency and Resilience officers are fully compliant with the Civil Contingency Act 2004 and relevant legislation.
- Regular engagement with the Tactical Co-ordinating Group and the Local Resilience Forum and other relevant category 1 responders.
- At least two emergency exercises take place annually with appropriate category 1 responders.

There were two priority 4 findings and six priority 3 findings. The most significant finding was the Emergency Accommodation plan in respect of Housing Solutions has not been reviewed in its entirety since 2014. The contact directory has not been checked which is a fundamental part of the plan, therefore this is likely to be out of date. There is a risk demand for accommodation could exceed availability making it difficult to place people locally resulting in non- compliance with the Housing Act and reputational damage to the Council. The second finding identified was that of the thirty emergency plans in place ten were overdue a review and there is a risk they may not be regulatory compliant. Furthermore, there is a need to implement an effective control to check that email alerts to review emergency plans are not overlooked.

Other findings include the need for:
- Preparation of guidance notes,
- Comprehensive approval process with records maintained,
- Internal gold and silver responders receive a full debrief of emergency exercises to educate and increase awareness.

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 7

Outturn to Date:

We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action

Internal Audit Work Programme

Follow Up Audits

Follow Up audits are completed where the auditor could only provide partial assurance. The follow-up audit is to provide assurance to the Director, Senior Management and the Audit and Governance Committee that the key risks have been mitigated to an acceptable level of risk. Evidence is obtained to demonstrate implementation and progress made in relation to all priority 4 and 5 recommendations. For the priority 3 recommendations progress reported is based on self-assessment by relevant officers. The following table demonstrates progress against agreed actions at the time of the ten follow up audits.

Priority of recommendation	Complete	Overdue	Not yet due	Superseded
3	36	24	0	0
4	9	4	0	0

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 8

Added Value

Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.

Added Value

Primarily, Internal Audit is an assurance function and will remain as such. However, as we complete our audit reviews and through our governance audit programmes across SWAP we seek to bring information and best practice to managers to help support their systems of risk management and control. The SWAP definition of "added value" is "it refers to extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something "more" while adding little or nothing to its cost".

The followings audits have provided a cross comparison survey for the SWAP Partners.

Emergency Planning - Public Health – the survey requested information on training of staff and members, on call staff (paid or unpaid), communication and links to local Health Resilience Partnership.

Schools – Prevention of Fraud – A themed report produced to summarise weaknesses identified and areas of good practice which this is shared with schools through Spotlight for Children.

Special Reviews

Unplanned work, special reviews or projects carried out on a responsive basis are requested through the Chief Finance Officer (Section 151 Officer).

There has been one request for additional work since my last update. This is a special investigation at a School.

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 9

SWAP Performance - Summary of Audit Opinions

At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

- **Substantial**
- **Reasonable**
- **Partial**
- **None**

Summary of Control Assurance

Of the reviews with an audit opinion that have a final report, the opinions offered are summarised below.

Control Assurance by Category

- Substantial 7%
- Partial 53%
- Reasonable 40%

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 10

Summary of Audit Recommendations by Priority

Summary of Recommendations

Audit Recommendations by Priority
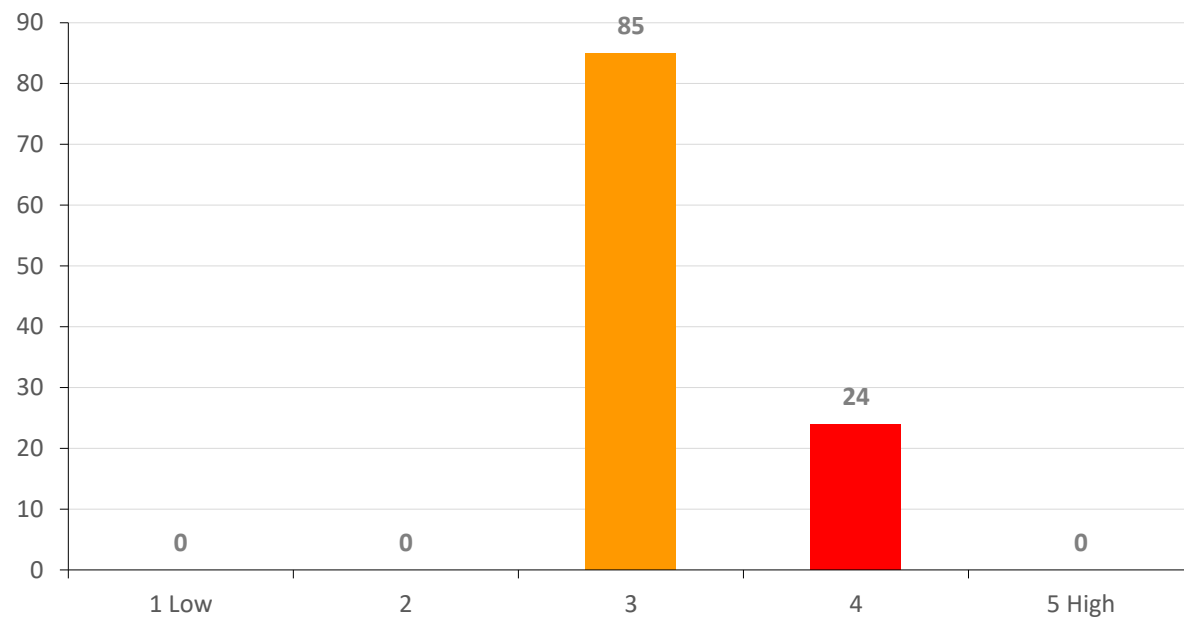
SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 11

We keep our audit plans under regular review so as to ensure that we are auditing the right things at the right time.

Approved Changes to the Audit Plan

As new and emerging risks are identified, any changes to the plan will be subject to the agreement of the Chief Finance Officer (Section 151 Officer) and reported to this Committee.

No additional reviews have been requested since my last update.

The Director of Quality is required to provide an opinion to support the Annual Governance Statement.

Conclusion

Good progress has been made on delivery of the plan with all audits not completed in progress. Overall delivery of the plan is satisfactory and is on target for completion by the end of the year.

Thirty-eight audits have been completed and eight audits are at Draft report waiting for management responses. Of the thirty-eight audits completed one has been assessed as substantial, six as reasonable and eight as partial assurance; twelve are follow up audits, two Grant Certification, three are Advisory reviews and three Special Reviews.

Overall, based on the work completed to date this financial year, we can report that we have identified some key risks that are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives. This has resulted in twenty-four significant findings. Where these findings have been identified Management generally respond positively to Internal Audit recommendations for improvements and corrective action is often taken quickly, wherever this is possible or practical.

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.
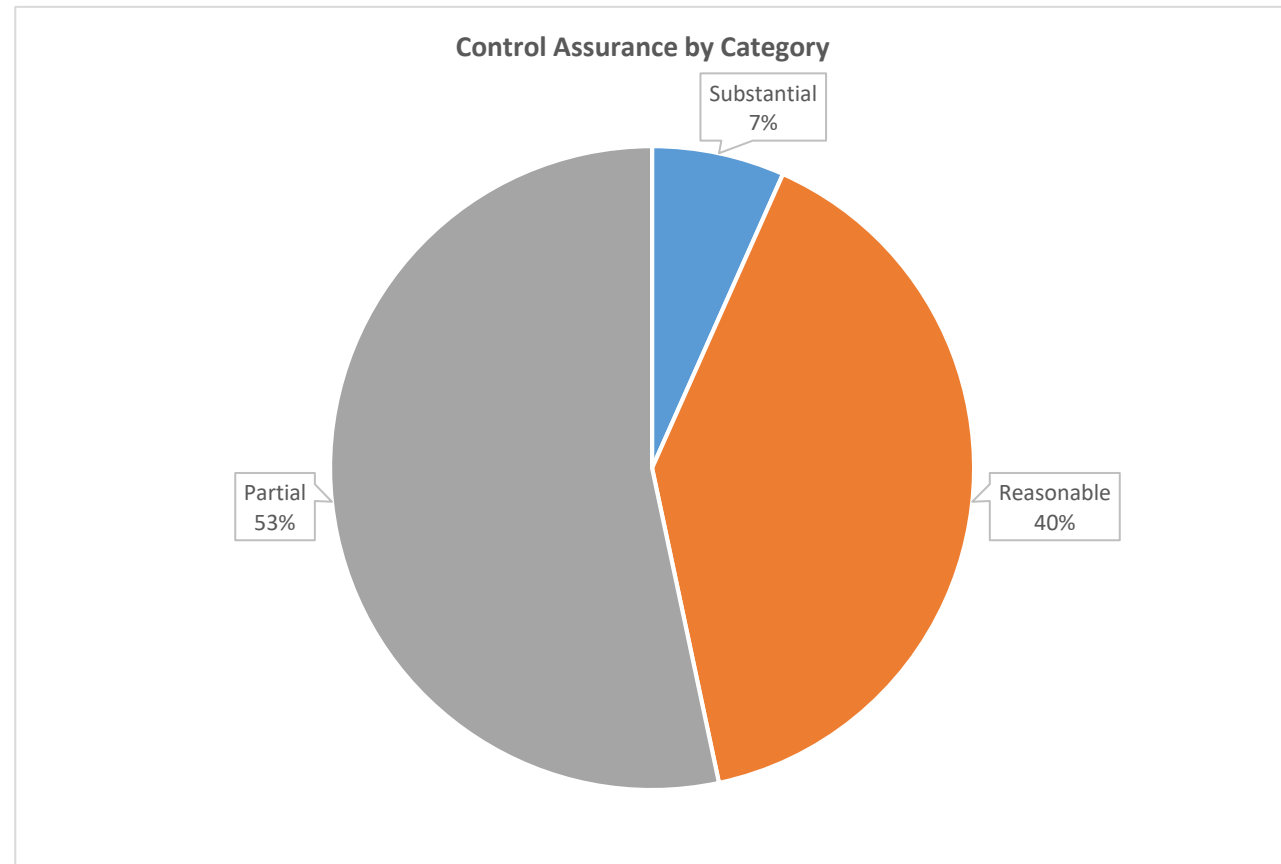
Page 12

At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

- **Substantial**
- **Reasonable**
- **Partial**
- **None**

Audit Framework Definitions

Control Assurance Definitions

Substantial	▲ ★ ★ ★	I am able to offer substantial assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
Reasonable	▲ ★ ★ ★	I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	▲ ★ ★ ★	I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
None	▲ ★ ★ ★	I am not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

We keep our audit plans under regular review, so as to ensure we are auditing the right things at the right time.

Audit Framework Definitions

- Priority 5: Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.
- Priority 4: Important findings that need to be resolved by management.
- Priority 3: The accuracy of records is at risk and requires attention.
- Priority 2: Minor control issues have been identified which nevertheless need to be addressed.
- Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

Definitions of Risk

Risk	Reporting Implications
Low	Issues of a minor nature or best practice where some improvement can be made.
Medium	Issues which should be addressed by management in their areas of responsibility.
High	Issues that we consider need to be brought to the attention of senior management.
Very High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 14

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Recommendation 1 = Minor ⟷ 5 = M				
						1	2	3	4	5
Governance, Fraud & Corruption	Small Holdings Phase 1	1	Draft Report	Escalated for responses						
Governance, Fraud & Corruption	Small Holdings Phase 2	1	In Progress							
Governance, Fraud & Corruption	Project assurance - (Q1 to Q4) Procurement of a Wide Area Network contract	1	Completed	Advisory	–	–	–	–	–	–
Governance, Fraud & Corruption	Project assurance - (Q1 to Q4) - Mosaic Board Governance	1	In Progress	Ongoing during 2017-18						
ICT	Firewall Security management	1	Completed	Reasonable	4	0	0	4	0	0
Operational	Annual Care Assessment Process – Adults Wellbeing	1	Draft Report							
Operational	Areas - Business Support Function – Adults Wellbeing	1	Completed	Advisory	3	0	0	3	0	0
Operational	Market Intelligence	1	Completed	Partial	16	0	0	10	6	0
Operational	Safeguarding – Adults Wellbeing	1	Draft Report	Escalated for responses						
Operational	Data Sharing Protocols	1	Completed	Partial	8	0	0	5	3	0
Operational	Land in public ownership	1	Completed	Advisory	2	0	0	2	0	0
Schools	Schools - prevention of fraud	1	Completed	Themed Report	–	–	–	–	–	–
Schools	School 1 – prevention of fraud	1	Completed	Partial	10	0	0	7	3	0
Schools	School 2 - prevention of fraud	1	Completed	Partial	6	0	0	5	1	0
Schools	School 3 – prevention of fraud	1	Completed	Partial	10	0	0	8	2	0

SWAP SOUTH WEST AUDIT PARTNERSHIP Delivering Audit Excellence — SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. **Page 15**

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Recommendation 1 = Minor ⟷ 5 = M				
						1	2	3	4	5
Special Investigation	Blueschool Refurbishment	1	Completed	Special Investigation	13	-	-	-	-	-
Special Review	Data Sharing Breach	1	Completed	Special Review	2	0	0	1	1	0
ICT	Protection from Malicious Code	2	Completed	Follow Up	_	_	_	_	_	_
Governance, Fraud & Corruption	Serious and Organised Crime Audit Checklist	2	Completed	Partial	7	0	0	6	1	0
Grant Certification	Local Transport Block Funding	2	Completed	Grant Certification	1	0	0	1	0	0
ICT	Domain Management	2	Completed	Reasonable	3	0	0	3	0	0
Operational	Integrated Short Term Support and Care Pathway - review of each pathway and advisory	2	Moved to quarter 4	In Progress						
Operational	Integration – Clinical Commissioning Group (Adults and Children's)	2	Moved to quarter 4	In Progress						
Schools	Children, young people and families - Part time timetables	2	Draft Report							
Operational	On-line choice based letting scheme - Homepoint (Home Hunt)	2	Completed	Partial	12	0	0	7	5	0
Operational	New Communications Strategy	2	Dropped							
Operational	Emergency Planning - Public Health	2	Completed	Partial	8	0	0	6	2	0
Operational	Public Health Contracts	2	Draft Report							
Operational	Electronic Signatures	2	Completed	Reasonable	4	0	0	4	0	0
Grant Certification	Bus Subsidy Grant	2	Completed	Grant Certification	0	0	0	0	0	0
Follow up	SVFS – Schools Follow Up	3	Completed	Follow Up	_	_	_	_	_	_

SWAP SOUTH WEST AUDIT PARTNERSHIP Delivering Audit Excellence — SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. **Page 16**

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Recommendation 1 = Minor ⟷ 5 = M				
						1	2	3	4	5
Follow up	Brokerage Follow up	3	Completed	Follow Up	_	_	_	_	_	_
Follow up	Client Finances Follow up	3	Completed	Follow Up	_	_	_	_	_	_
Follow up	Car parking Income and Enforcement Follow up	3	Completed	Follow Up	_	_	_	_	_	_
Grant Certification	Troubled Families	3	In Progress							
ICT	PSN Submission	3	Completed	Substantial	0	0	0	0	0	0
Operational	EziTracker – Adults Wellbeing	3	Draft Report							
Key Control	Accounts Payable	3	Completed	Follow Up	_	_	_	_	_	_
Key Control	Accounts Receivable	3	Completed	Follow Up	_	_	_	_	_	_
Key Control	Capital Accounting	3	In progress							
Key Control	Main Accounting	3	Completed	Follow Up	_	_	_	_	_	_
Key Control	Council Tax	3	Completed	Follow Up	_	_	_	_	_	_
Key Control	NNDR - Business Rates Avoidance	3	Completed	Reasonable	5	0	0	5	0	0
Key Control	Payroll - Review of IR35	3	Completed	Reasonable	1	0	0	1	0	0
Operational	Short breaks – Children's Wellbeing	3	Discussion Document							
Operational	Disabled Facilities Grants	3	In Progress							
Governance, Fraud & Corruption	EU General Data Protection Regulation readiness	3	Draft Report							

SWAP SOUTH WEST AUDIT PARTNERSHIP Delivering Audit Excellence

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 17

| Audit Type | Audit Area | Quarter | Status | Opinion | No of Rec | 1 = Minor ⟷ 5 = M | | | | |
| | | | | | | Recommendation | | | | |
						1	2	3	4	5
Governance, Fraud & Corruption	Healthy Organisation	3	In Progress							
Follow Up	Property Services - Accounts Payable Follow Up	4	Completed	Follow Up	_	_	_	_	_	_
Follow Up	Hardware & Software Asset Management	4	Completed	Follow Up	_	_	_	_	_	_
Follow Up	Catering Contract Follow up	4	Completed	Follow Up	_	_	_	_	_	_
Follow Up	Recruitment Contracts Follow up	4	Completed	Follow Up	_	_	_	_	_	_
Follow up	Housing and Council Tax Benefits	4	Completed	Follow up	_	_	_	_	_	_
Operational	Carers (Support for) inc WISH – Adults Wellbeing	4	Initial Meeting							
Operational	Maintenance of property including School Property Maintenance	4	In Progress							
Operational	Mandatory Training – days for School Special Investigation	4	Removed							
Special Investigation	School	4	Draft Report							
Operational	Fastershire BDUK	4	Removed							
ICT	ICT client management	4	Completed	Reasonable	7	0	0	7	0	0
Governance, Fraud & Corruption	Data Quality	4	Discussion Document							

SWAP
SOUTH WEST AUDIT PARTNERSHIP
Delivering Audit Excellence

Name of Audit	Weaknesses Found	Risk Identified	Recommendation Action	Managers Agreed Action	Agreed Date of Action and Responsible Officer
Market Intelligence	Statistics for 2015 did not appear comparable to the statistics for years 2014 and 2016, however no reason for the difference was explained within the report. A rolling programme of review had not yet been set, to ensure that senior management has an up to date data set to aid the planning of future service provision.	There is a risk that if the draft report "Domiciliary Care: Understanding Future Need" is not sufficiently challenged and the reasons for statistical changes are not understood, incorrect assumptions may be made, and the service may not be able to adequately plan. If dates are not set for future review of data, senior management may not have accurate and reliable data to inform future planning.	The Commissioning Manager should ensure that all future reports will be challenged through both Directors Leadership Team and managing the care market meetings. The Commissioning Manager has also agreed that an annual review of domiciliary care will be scheduled into the annual work programme.	All future reports will be challenged through both DLT and managing the care market meetings. An annual review of domiciliary care will be scheduled into the annual work programme.	Commissioning Manager 31 March 2018
Market Intelligence	There have been two recent domiciliary care provider failures, with one provider attempting to transfer care packages to a provider outside of	There is a risk that the Council will not be notified promptly of any future provider failure, which could lead to non-delivery of care services or providers attempting to transfer care	The Commissioning Manager should send out clear communications for care providers to follow if they are no longer able to deliver their contracted care packages, so that alternative arrangements	Clear communications will be sent out to confirm the process for providers	Commissioning Manager 31 March 2018

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

SWAP
SOUTH WEST AUDIT PARTNERSHIP
Delivering Audit Excellence

Name of Audit	Weaknesses Found	Risk Identified	Recommendation Action	Managers Agreed Action	Agreed Date of Action and Responsible Officer
	the framework. The Terms and conditions of the new contract need to contain detailed guidance to providers that cover this.	packages to a non-authorised care provider.	can be made by the Council to ensure that a continuous care service is delivered. The terms and conditions should set out a clear process for providers to follow in this instance.		
Market Intelligence	Management has acknowledged that reliance cannot currently be placed on data recorded on the Understanding Herefordshire website, and at the time of the audit, the work needed to address this had not been scheduled. There is a requirement to quality check the data on the Understanding Herefordshire website prior to its transfer to the Council website.	There is a risk that inaccurate data could be accessed and relied upon by other Council teams in the production of Council reports.	The Intelligence Unit Team Leader should ensure that t a timetable in put in place along with a workplan for the quality checking of the information contained within the facts and figures website: 'Understanding Herefordshire', and to communicate to all staff to allow them to request that data be checked and confirmed as correct by the Intelligence Unit before being used.	This will be coordinated by the Research Intelligence team.	Intelligence Unit Team Leader 1 March 2018

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 20

Name of Audit	Weaknesses Found	Risk Identified	Recommendation Action	Managers Agreed Action	Agreed Date of Action and Responsible Officer
Market Intelligence	Third party contributions data is incorrect on the Residential and Nursing Care dashboard.

Although the new Residential and Nursing Care contract came into effect from 1st April 2017, there are still providers who have not transferred over, and are working to the terms of the old contract. | There is a risk that if errors are not investigated and understood, recovery of third party contributions may be delayed.

There is also a risk that if providers have not switched to the new Residential and Nursing Care contract, inefficiencies may arise collating data from two different systems, and errors may occur in reporting. | The Commissioning Manager should address the 3rd party contributions error on the Residential and Nursing Care dashboard. | A quick review will be done to ensure data is reflected annually. | Commissioning Manager 31 March 2018 |
| Market Intelligence | While a piece of work is currently in progress to assess the future level of demand for Residential and Nursing Care services, this has yet to be completed. | Senior management do not currently have accurate and reliable data to inform future planning. | The Better Care Fund and Integration Manager has agreed to review and regularly refresh the forecasting information being compiled for Residential and Nursing care demand. | This is ongoing work; the information will be taken to the Managing the Care Market group for agreement on information required and will then form part of the Market Position Statement for residential and nursing care homes. | Better Care Fund and Integration Manager 31 May 2018 |

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 21

SWAP
SOUTH WEST AUDIT PARTNERSHIP
Delivering Audit Excellence

Name of Audit	Weaknesses Found	Risk Identified	Recommendation Action	Managers Agreed Action	Agreed Date of Action and Responsible Officer
Market Intelligence	There is no timetable in place yet to carry out the visits to residential and nursing care premises to ascertain providers' future business intentions, as a means to improving the accuracy of forecasting supply of residential and nursing care placements.	Up to date information for future planning and availability for residential and nursing care placements may not be available.	The Better Care Fund and Integration Manager should ensure that regular financial checks are carried out by the Council to identify any financial difficulties that providers are experiencing.	Timetable of meetings will be produced and agreed but will target nursing homes.	Better Care Fund and Integration Manager 30 April 2018
Serious and Organised Crime	The awareness of Serious and Organised Crime is not consistent across the Council, with some staff not aware of documentation and guidance. Further to this there is no single point of contact for Serious and Organised Crime	There is a risk that if staff do not have an awareness of Serious and Organised Crime and there is no single point of contact, incidents may remain undetected or unreported at the Council.	The Chief Finance Officer has agreed to raise awareness of Serious and Organised Crime across the Council through: • Training and education, • Providing links to relevant documentation, Establishing a single point of contact	Accepted, the recommendation with be implemented.	Head of Corporate Finance 31 August 2018

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 22

SWAP
SOUTH WEST AUDIT PARTNERSHIP
Delivering Audit Excellence

Name of Audit	Weaknesses Found	Risk Identified	Recommendation Action	Managers Agreed Action	Agreed Date of Action and Responsible Officer
Emergency Planning – Public Health	Of the thirty emergency plans required by the Council as a category 1 responder ten were found to have an overdue review date.	There is a risk that if plans are not reviewed at the required frequency they may not meet legislative requirements, operate best practice and contain inaccurate information, which may result in reputational and financial damage to the Council.	The Equality, Resilience & Information Compliance Manager should ensure that he: • Reviews the ten plans identified as being overdue and this action is updated in the emergency plan documentation. • Implements an effective control to check that email alerts to review emergency plans are not overlooked.	It is acknowledged that some of the plans have an overdue review date. As legislative changes are infrequent the risk that any changes aren't captured is low, when new or amended legislation that affects civil contingencies is released this is communicated via the weekly Civil Contingencies Secretariat bulletin. The Emergencies and Resilience Team (ERT) will review the overdue plans and set target dates for completion. Review schedules will be reviewed if it is felt that they cannot currently be met due to officer workloads. If a plan is unable to be reviewed due to external factors this will be noted in the register of plans The email notification built into the register of plans will be	Equality, Resilience & Information Compliance Manager 31 January 2018

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

SWAP SOUTH WEST AUDIT PARTNERSHIP Delivering Audit Excellence

Page 23

Name of Audit	Weaknesses Found	Risk Identified	Recommendation Action	Managers Agreed Action	Agreed Date of Action and Responsible Officer
				checked to ensure that notifications are being correctly sent. Future development of the system could see follow up notifications sent within designated timeframes.	
Emergency Planning – Public Health	The Emergency Accommodation plan in respect of Housing Solutions is reviewed annually but this only extends to the strategy and omits assessment of the contact details.

The officer was unable to provide assurance that the contact directory has been reviewed since 2014. | Failure to have adequate safe emergency accommodation may result in residents and potentially vulnerable people being homeless, with the Council unable to meet the Housing Act requirements and consequently subject to legal and reputational damage. | The Team Leader of Housing Solutions & Home Point should undertake the following:
1) Reviews the whole of the emergency accommodation database including the strategy and contacts list for accuracy and completeness,
2) In conjunction with the Emergency and Resilience Officer to review the Emergency Accommodation Plan (this is a separate document to the Housing Solutions Database as detailed above). | 1) The Housing Solutions Resilience Officer has put in place a review process that will mirror the formal document review. The Housing Solutions Resilience Team are to write to every establishment in the database to confirm (or otherwise) their willingness and availability to remain on the Council's list. It is planned that the letters will go out all together in the first week of the New Year with a follow up phone call to non-responders
2) A meeting has been arranged in mid-January 2018 between the Emergency and Resilience Officer and the | Team Leader of Housing Solutions & Home Point 16 March 2018 |

SWAP SOUTH WEST AUDIT PARTNERSHIP Delivering Audit Excellence SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.   **Page 24**

Name of Audit	Weaknesses Found	Risk Identified	Recommendation Action	Managers Agreed Action	Agreed Date of Action and Responsible Officer
				Housing Solutions Resilience Officer to undertake the following: a) To formally carry out the annual review of the Strategy/Plan, b) And secondly, to discuss who will be responsible for the recording of the Review.	

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 25