

**Limited Assurance reports issued in 2016/17**

**Previously reported to November 2016 committee**

Service	<b>West Wimbledon Primary School</b>		
Date of Final Audit Report	5 <sup>th</sup> April 2016		
Audit Actions	23	Outstanding actions	tbc
Main issues	<p>Concerns relating to budget management, orders and procedures.                      Update at year end 2016/17 closing                      At the beginning of the year West Wimbledon set a surplus budget of £106,385.00 for 2016/17 (this included a £72k surplus carried forward from 2015/16.) The surplus budget forecast was adjusted in year (2016/17) to a surplus £33,682. However, the school closed on a deficit budget of £171,129. A follow up audit review is scheduled shortly.</p>		
Service	<b>Fuel Bunker and fuel cards</b>		
Date of Final Audit Report	27 <sup>th</sup> May 2016		
Audit Actions	8	Outstanding actions:	0
Audit Objective	Safety check not undertaken and issues relating to stock records. All actions implemented.		
Service	<b>Civic Regalia &amp; other valuable items</b>		
Date of Final Audit Report	5 <sup>th</sup> August 2016		
Audit actions	10	Outstanding actions	0
Audit Objectives	Issues relating to inventory and disposal policy. All actions implemented.		

Service	<b>Market Street Traders</b>		
Date of Final Audit Report –	21 <sup>st</sup> September 2016		
Audit actions	11	Outstanding actions	1
Actions in progress	Concerns relating to procedures and income collection and reconciliations <b>Update:</b> All actions implemented except - Procedures to be updated- is in progress		

Service	<b>Pension Investments</b>		
Date of Final Audit Report	27 <sup>th</sup> September 2016		
Audit actions	9	Outstanding actions	4
Main issues	High priority recommendations relate to the inadequate services provided by the Council's custodians resulting in a lack of transparency and monitoring		
	<b>Update:</b> A follow up audit is in process. Informed that the remaining actions are due to be implemented in July 2017.		
Service	<b>APS (prepaid) cards</b>		
Date of Final Audit Report –	26 September 2016		
Actions	17	Outstanding Audit Actions	6
Main issues	<p>A number of shortfalls were identified that needs to be addressed to strengthen the controls in place. These include the drafting and circulation of a Departmental/Divisional policy and guidance document to guide staff on the user of the Cashplus prepaid card to ensure consistent approach across the division as well as a Card Administrator to oversee the administration of the cards.</p> <p>The review also found that there are no controls in place restricting a number of delegated card holders from being able to upload funds to their own cards. Coupled with the fact that there is no limit on the amount that can be uploaded on the cards it is imperative that the process of card set up, fund upload and card users are segregated. Supporting documentation for 14 per cent of the sample tested could not be located. Testing also noted that although there is requirement for service agreement to be authorised on Carefirst before the fund upload. Testing found that in 30 per cent of sample tested, the service agreements were being authorised on Carefirst retrospective of the fund upload.</p> <p><b>Update: Controls have been tightened up and other actions are in progress. Some delay on implementing these due to new Social Care system coming in. Internal Audit will review this later in the year.</b></p>		

**Limited Assurance Reports not previously reported to committee**

Service	<b>No Recourse to Public Funds</b>		
Date of Final Audit Report	15 February 2017		
Audit Actions	8	Outstanding Audit Actions	0
Main issues	<p>The review identified significant budget overspend in the year 2015/16 for both departments and the projected outturn for 2016/17 indicated that this is likely to be the same.</p> <p>Departments need to have a clear audit trail that demonstrates their decision making process. The introduction of a client check list will assist in demonstrating the chronological steps that have been undertaken in determining the client's eligibility for assistance after the initial contact as well as tracking and updating of a client's immigration status.</p> <p>When LTR has been granted referrals to mainstream housing and welfare benefits will need to be made by departments so as not to breach Section 23 of the Care Act which does not allow the local authority to provide accommodation under section 18 of the Care Act when it could otherwise be provided under the Housing Act 1996. So the transfer of responsibility must occur as soon possible after the clients become eligible for mainstream benefits.</p> <p>Current legislation only allows Housing Benefits to be backdated for one month from submission of claim so it is imperative that these claims are made at the earliest opportunity, as any delays in accessing mainstream benefits will result in the local authority continuing to provide accommodation and subsistence support under social care legislation after the client's immigration matter has been resolved.</p> <p>Departments need to use the reporting functionalities available on the NRPF Connect website to assist in the monitoring of case resolution, in both identifying priority cases to work on and identifying incomplete or out-of-date records.</p> <p>It is anticipated that the implementation of the Policy and Practice Guidance documents and recommendations from this review, as well as the newly appointed a Social Worker as a NRPF co-ordinator (to oversee NRPF related cases) will correct the control weakness identified and ensure that there is consistent approach to dealing with NRPF clients across the authority.</p> <p><b>Update:</b> All recommendations have been implemented</p>		

Service	<b>Contract compliance</b>		
Date of Final Audit Report	13 January 2017		
Audit Actions	6	Outstanding Audit Actions	4
Outstanding issues	The Translation Services team should either seek an exemption from CSO if they wish to continue to use LB or consider putting a contract in place. <b>Response: This matter is currently under consideration with the Corporate Procurement Team before a decision is taken on the appropriate way forward.</b>	Priority 2	Implementation date moved from 30/1/17 to 1/12/17
	The Communication team must demonstrate compliance with CSO by obtaining the required number of quotes for their graphic design work. If there is a preferred supplier an exemption from CSO, authorised by The Director of Corporate Services should be obtained. <b>Response: We are working with legal to draw up a legal framework agreement</b>	Priority 2	Implementation date 30/4/17
	Commercial Services should assist departments by running regular spend reports to identify areas where different departments are spending with the same supplier with no formal contract in place. Where there is a potential for savings the departments should be advised to consider amalgamating spend and ensuring contracts are in place. <b>Response: To be achieved through spend analysis and reporting back to departmental OPGs. Will also be achieved through the implementation of Category Management, if approved by CMT (Implementation Date December 2017)</b>	Priority 2	Implementation date moved 30/4/17 to 31/8/17
	A review of the process for ensuring the accuracy of the data captured on the Council's Contracts Register should be undertaken. Following the review all officers tasked with inputting data onto the Contracts Register should be informed of the process to ensure that date entered is both accurate and complete. <b>Response: To be achieved through guidance provided via the Procurement Toolkit as well as 1:1 training sessions. Regular discussions to be held at departmental OPGs regarding accuracy and completeness of data captured onto the Contracts Register</b>	Priority 2	Implementation date moved from 31/3/17 to 31/8/17

Service	<b>Review of commissioning of temporary workers, interims and consultants</b>		
Date of Final Audit Report	16 February 2017		
Audit actions	19	Outstanding Audit Actions 4	
Actions in progress	Consideration should be given to introducing an e form to re-place the current Recruitment Authorisation form. <b>Response: In process of being reviewed by Business Improvement team</b>	Priority 2	Date moved from 31/3/17 to 30/6/17
	Recruitment Procedures to include reference to agency and interim appointment and the requirement to have at least 2 officers on the recruitment panel. <b>Response: Managers were made aware and revised policy with Trade Union to review</b>	Priority 1	Date moved from 31/3/17 to 30/7/17
	The information provided to managers on the LBM intranet regarding the appointment of consultants is both confusing and inconsistent. A single set of procedures should be agreed and made available to hiring managers as soon as possible. <b>Response: In progress but needs to link with the review of CSOs</b>	Priority 1	Date moved from 31/3/17 to 30/7/17
	Contract documentation in relation to the appointment of the consultant within the Environment and Regeneration Department should be located and reviewed as soon as possible. The advice of the Procurement Team should be sought with a view to re-tendering the contract as soon as possible in order to ensure compliance with Contract Standing Orders. <b>Response: Commissioning team have been unable to provide the supporting documentation. To discuss with colleagues and Procurement team how best to resolve and manage going forward</b>	Priority 1	Date moved from 31/3/17 to 30/7/17

Service	<b>Pelham Primary School</b>		
Date of Final Audit Report	4 <sup>th</sup> April 2017		
Audit Actions	24	Outstanding Audit Actions	4
<p>The Statement of Roles and Responsibilities, Financial Terms of Reference and Scheme of Delegation document required up dating.  The school has a planned in year deficit and a planned deficit going forward. It's important that this is closely monitored to ensure that the school seeks to achieve a balanced budget.  Monthly budget monitoring returns provided to the Headteacher are not being signed off, to evidence that they have been checked and reviewed.  Ordering and Payments – During the current 2016/17 financial year, from April to October 2016, 34% of orders have been raised after receipt of an invoice and 16% of transactions had no orders raised. This may impact on budget monitoring and weakens controls in place to ensure that all purchases are agreed and authorised prior to spend  Contracts – A schedule of on-going contracts must be introduced in order to monitor, review and re-tender contracts.  Payroll – Monthly reconciliations must be signed by the Headteacher and a monthly overtime report should be obtained from iTrent and also signed by the Head Teacher  <b>Update: A follow up audit is due in 2017/18</b></p>			

Service	<b>The Sherwood Primary School</b>		
Date of Final Audit Report	3rd March 2017		
Audit Actions	27	Outstanding Audit Actions	15
<p>Accountability and Responsibility – The 'Statement of Roles &amp; Responsibilities, Terms of Reference and Delegated Powers' document needs to be reviewed, updated and agreed by Governors. Committee meetings – Financial report discussed at the meeting must be held with the minutes.  Weaknesses in: - Budgetary Control and Monitoring, Ordering and Payments- high level of non-orders. Petty cash- vouchers.  Virements –authorisation limit  SIMS FMS - the Headteachers access level needs reviewing.  School Meals Debt – a review of outstanding debts should be undertaken and a debt recovery procedure introduced.  Lettings – The Letting Policy and rates to be reviewed.  Business Tenancy –a new lease must be agreed with immediate effect  Recruitment – the Corporate Probationary Policy should be followed for all employees including support staff. A Salary Statement should be produced annually for all school staff.  School fund – the arrangement for the 2015/16 account to be audited  Extended School Provision – a review of the After school and Breakfast club spreadsheet provided to Governors and a reconciliation to the SIMS FMS must be undertaken to ensure correct information is reported to Governors.</p>			

Service	<b>The Sherwood Primary School</b>
<b>Update: A follow up audit is scheduled for 2017/18</b>	

Service	<b>E tendering</b>	
Date of Final Audit Report	tbc	
Audit Actions	8	Outstanding Audit Actions:8
<p>The Council uses the Due North Procontract E-Tendering Portal. The Contract Standing Orders require that any procurement valued at above £10,000 is run through this portal, and that three quotations are sought. Procurements valued at above £100,000 should be run using a formal tender process, and above-OJEU threshold procurements should be compliant with the Public Contract Regulations 2015.</p> <p>It was confirmed that the Procontract E-Tendering Portal contains guidance on how to use the Portal. Additional guidance is available in the Contract Standing Orders. Management are updating the Procurement Toolkit to include detailed advice in respect of procurement.</p> <p>Where OJEU notices were used and could be located, these were open for a sufficient amount of time to enable compliance with Chapter 2 of Part 2 of the Public Contract Regulations 2015. In one case, procurement documentation was not made available to bidders at the outset of the Invitation to Tender. However, bidders were made aware that a tender addendum would be issued. We were informed that legal advice has previously been sought on this matter previously and the Commercial Services team informed that if bidders are made aware of the documents to be uploaded, and are given time to respond, then this is sufficient to comply with the Public Contract Regulations 2015. We have not raised a recommendation as a result.</p> <p>Where formal tender processes were undertaken, it could be evidenced that tender boxes were opened by a second independent officer.</p> <p>It was confirmed that sub-OJEU threshold procurements in our sample were not subject to a two-stage process. It was also confirmed that where an OJEU threshold procurement was undertaken using a two-stage process that a standard PQQ was used.</p> <p>There were some instances on the E-Tendering portal where an insufficiently competitive environment was created as either the correct number of quotes was not sought, or a tender process was not undertaken, and this was not compliant with the Contract Standing Orders.</p> <p>Although user permissions appeared to be adequate to the extent that users tested did not have administrative privileges, it was noted that no active users tested had financial restrictions on the procurements they could commence or become involved in. Further to this, instances were identified where individuals had not logged onto the portal for more than three months or ever, and one instance where an organisational leaver still had an active account.</p>		

Service	<b>E tendering</b>
	<p data-bbox="203 245 2009 411">Instances were identified where Contracts Finder advertisements or award notices were not issued in a timely manner or at all. Further to this, an OJEU contract award notice could not be located for one contract. Non-commercial tender clarifications were not provided to all bidders at the same time in every case. However, where exceptions were identified these did not have a material impact on the outcome of the tender process, or they related to low value quote processes. An instance was identified where it appeared that bidders were informed of evaluation results prior to these being approved by Cabinet, despite bidders having been informed that this was not compliant.</p> <p data-bbox="203 448 2009 644">In some instances, insufficient information was available on the E-Tendering portal in respect of the procurement process undertaken and the successful bidder. Where these instances occurred, recommendations have been raised to highlight non-compliances. A separate recommendation regarding insufficient information has not been raised as a result. Testing of the Contracts Register identified a number of instances where procurements had not been included on the Register, or where they had been included late. It is acknowledged that there is evidence on the tender portal of the Commercial Services Team identifying and adding entries onto the Register where this has been missed previously.</p> <p data-bbox="203 681 2009 810">It was confirmed that updates to the E-Tendering Portal are made by the Commercial Services team where non-compliances in respect of Contract Registers are identified. The notes section to individual procurements is updated in these cases. However, it was identified that a review of user permissions needs to be undertaken to confirm that only individuals employed by the Council with sufficient procurement training are able to commence procurements.</p>



Service	<b>DBS follow up</b>	
Date of Final Audit Report	tbc	
Audit Actions	5	Outstanding Audit Actions 5
<p>The objective of the follow-up audit was to assess and provide assurance of the extent of progress that has been made by the Human Resource (HR) department in implementing the Internal Audit recommendations made during the review of DBS in 2014/15 as the audit review had provided a Limited Assurance.</p> <p>This review found that a recommendation in relation to the changes to procedure documents “DBS Guidelines and Code of Practice (2009)” remains outstanding despite assurances that the document was updated following the previous audit. There is a risk that if this document is read in isolation it could be misleading.</p> <p>To verify whether the recommendations in relation to processes and procedural changes had been implemented, a sample of 20 employees that started employment after the 2014/15 final report was issued, were tested to confirm compliance. Testing found that 17 out of the 20 employees had been registered on iTrent (the payroll system) as having a DBS disclosure in place.</p> <p>For the remaining 3 employees, 1 was employed through an agency and checks had been undertaken by the agency with the disclosure number recorded on Comensura (agency system).</p> <p>The 2 remaining employees were library volunteers. Although the recruitment process should prevent employees from being registered on iTrent unless confirmation has been received that they have been DBS cleared, the process for engaging volunteers differs in that the recruitment is undertaken by managers</p>		

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