

## Internal Audit Report Summary- Limited Assurances

Service	<b>Service Tenancies follow up</b>		
Date of Final Audit Report	26/7/18		
Audit actions	17	Completed Audit Actions	9
Audit Objectives	To follow up on previous limited assurance audit – covering policy, agreements, rent reviews, record keeping and reconciliations.		
Summary of Audit Findings	<p>The opinion refers in particular to the following outstanding matters:</p> <ul style="list-style-type: none"> <li>• Ensuring that proposed policy changes are authorised</li> <li>• Formally signing off the contractual status of each property</li> <li>• Ensuring the Board is updated timely with regard to contract negotiations</li> <li>• Evidencing compliance with Contract Standing Orders</li> <li>• Ensuring completeness of record keeping</li> <li>• Evidencing key reconciliations</li> <li>• Ensuring rent due is recorded and annual review of rents and discounts or formal exemption from doing so</li> <li>• Ensuring effective and complete management of the risk of granting service tenancies unintentionally</li> </ul>		

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Summary Response Managers	<p>from</p> <p>PMRS data base and master schedule will be updated as contracts are completed. The Council will undertake a rent review of each tenancy annually where the tenancy documentation allows; and where the tenancy requires rent reviews to be less frequent than annually, then rent reviews will be done as frequently as possible. Corporate payroll to be notified when rent changes.</p> <p>There will be a formal annual reconciliation between records and payroll, pension and corporate debtor systems The rent due is on the schedule and this is updated as details of the tenancies including rent change.</p> <p>Where a new service tenancy is granted, then the officer(s) who authorise the service tenancy will be advised of the estimated annual income foregone by the decision not to enter into a residential or commercial tenancy on a commercial basis. This financial information will be presented as one factor within the context of the service benefits to be obtained from the award of a service tenancy The current policy will be re-issued. Any revised policy agreed by Cabinet will be issued when confirmed by corporate procedures.</p> <p>Head of Regeneration to agree protocol by email with Head of Organisational Development and HR Strategy with regard to the circumstances under which HR is to advise the Property Asset &amp; Review Manager of changes to a tenant's employment status</p>

## Internal Audit Report Summary- Limited Assurances

Service	CM2000 (electronic care monitoring system)		
Date of Final Audit Report	11 June 2018		
Audit Actions	14	Outstanding actions	7
Main issues	<p>CM2000 is the London Borough of Merton's electronic care monitoring system, which enables the logging and analysing of home care visits by care providers contracted to use the system.</p> <p>The CM2000 contract dates back to 2007 and has not been re-tendered for 11 years despite the fact that it expired in 2012. A contract exemption covering the period 1<sup>st</sup> December 2015 to 30<sup>th</sup> November 2017 was agreed in November 2015. A further contract exemption, commencing in February 2018, was agreed in January 2018, this exemption was for a maximum period of 24 months to 31<sup>st</sup> January 2020. The maximum value of these two exemptions was recorded as £232,623. An exemption covering the period 1<sup>st</sup> December 2017 to 31<sup>st</sup> January 2018 was not available. It was noted that the terms of the original contract dated 2007 are still in use for the current exemption.</p> <p>The CM2000 system interfaces with Mosaic, which in turn interfaces with E5. This process should enable payments to be made to providers automatically and subsequent billing of client invoices to be correct. However, due to problems with system implementation this has not always been possible. It should be noted that Mosaic went live on 16<sup>th</sup> May 2017</p> <p>Although several staff currently have access to CM2000, user-friendly monitoring reports are not readily available and there is a heavy reliance on the CM2000 Contract Monitoring officer to supply information required from the system. Internal Audit have been informed that reports are not provided to management.</p> <p>A large number of small care providers do not have access to CM2000 meaning that monitoring of commissioned visits is both time consuming and difficult to undertake. Invoices received from providers cannot be confirmed as correct in the same way as visits logged on CM2000.</p> <p>During the audit, it became clear that there is confusion on behalf of the supplier regarding reporting lines and responsibility for decision making within the authority. Furthermore, evidence was obtained that an increase in provider fees was actioned without a formal process being followed or appropriate approval being documented</p>		

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Summary Response from Managers	<p>The exemption to January 2020 was sought to align with the project plan for the new Home Care contracts. The system used has implications for providers, who have to interface it with their rostering systems. ASC will test the market in 2019 once the new Home Care contract has settled in. This will need to be done with our three prime Home Care providers. No challenge has been received in relation to the contract extension, so we see no value in re-visiting.</p> <p>Contract records currently are held manually, with the risks inherent in that. We have been awaiting the document management system to move to digital archiving. An interim solution is now being explored</p> <p>ASC has a duty to ensure care needs are met, and sometimes this means making spot placements outside of the contracted arrangements. In these cases a purchase order is raised. With the new contracts in place, we will be transferring business from the five off contract providers over the coming year.</p> <p>Manually checking delivery of care hours is beyond the capacity of the department, which is why the new contract requires all providers to use CM2000. It will take time to migrate all care to the new arrangements.</p> <p>A reconciliation between Mosaic and e5 has been completed, which has shown that whilst there were issues the differences were in reasonable bounds for two new systems. The next step is to clear down within Mosaic outstanding commitments that were paid outside of the interface, These were identified by the reconciliation.</p> <p>We are aiming to upgrade CM2000 to reduce system interface errors. A proposal is due to be submitted to Corporate Services and C&amp;H DMTs to upgrade the system to address its current weaknesses including reporting.</p>