

Audit Ref.	Audit Title	Department	Management Summary
<p>Final report issued:- 11<sup>th</sup> August 2014</p>	<p><b>Community Equipment Service</b></p> <p>No of agreed actions: 23</p>	<p>Community &amp; Housing</p> <p>No.of outstanding actions: 23</p>	<p>Limited assurance has been concluded due to the poor initial budget setting, reconciliation and weaknesses in the authorisation process.</p> <p>The contract for the supply of Complex aid to daily living started on the 01/03/2012. However, this contract is still draft, and yet to be finalised.</p> <p>The Retail model for the supply of simple aid to daily living is currently not providing the efficiency and savings intended.</p> <p>Lack of governance and lack of clear structure of prescribers and authorisers has resulted in weaknesses in controls.</p> <p>The budget for Complex and Retail equipment is not being set in line with actual trends and movement in activity.</p> <p>No reconciliation between the Uniquis ordering system and Citibank (Retail) is being undertaken</p> <p>The system used for the ordering of equipment – Uniquis was found to have many weaknesses:</p> <ul style="list-style-type: none"> <li>• no authorisation process to input new clients on the system</li> <li>• no regular review on the number of prescribers</li> <li>• no clear or consistent automation levels on authorisers</li> </ul> <p>The accredited retailer appointment and monitoring process was found to be weak, as no audit trail of the decision process is documented and no follow up’s undertaken.</p> <p><b>Summary of Agreed Actions by Department</b></p> <p>The Contract for the Complex equipment ( Croydon Equipment Solutions Limited) will be made final with immediate effect.</p> <p>A review of the Retail Model will be considered as part of the commissioning and procurement of the Community Equipment Service.</p> <p>Delivery options will be reviewed on a regular basis in order to control budget spend</p> <p>The total budget, 3 year budget projection and the pooled budget split will be considered and reviewed.</p> <p>A review is being undertaken of the Uniquis system, number of prescribers, authorisation limits and groups.</p> <p>A review to ensure correct governance is being undertaken in relation to teams, structure and authorisation limits.</p> <p>Declaration of interest forms will be completed by all prescribers on Uniquis.</p>

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	<p><b>No recourse to Public Funds</b></p>	<p>Childrens Schools and Families/Community &amp; Housing</p>	<p>Our review covered two distinct areas which provide care to clients with no recourse to public funds (NRTPF), namely Adult Social Care and Children’s Social Care.</p> <p><u>Adult Social Care</u> deal with a limited number of clients (nine at the time of this audit). As the majority of clients tend to be long term. Discussions with the responsible managers and review of the current caseload highlighted the following issues:</p> <ul style="list-style-type: none"> <li>• A lack of overall direction and coordination of policy and procedures.</li> <li>• The lack of a clear audit trail which can demonstrate that decisions with regard to eligibility for NRTPF are transparent.</li> <li>• Inconsistent approach to review of client cases, with frequency of reviews varying from 6 months to 18 months or longer.</li> </ul> <p>The <u>Children Social Care Team</u> has a larger number of clients (28 at the time of this audit). Following recent case law which places the onus on local authorities to provide care to children who have no recourse to public funds, there has been a significant increase in numbers. Some clients who had previously been funded under Section 17 were more recently identified as eligible to NRPTF. Our review identified the following key issues:</p> <ul style="list-style-type: none"> <li>• Uncertainty in respect of the demand for provision of care for clients who do not have access to public funds, making it difficult to forecast spend accurately.</li> <li>• There is potential for incorrect decisions to be made due to the variable levels of knowledge and expertise within the teams to deal with referrals correctly. Due to the changing nature of case laws, staff are required to interpret complex legislation and apply it correctly.</li> <li>• There are no formal written procedures, although staff are known to follow good practice.</li> <li>• The current process for the issue, recording and storage of food vouchers leaves it vulnerable to misappropriation and loss of stock.</li> <li>• Inconsistency in payment of food vouchers and subsistence; and lack of a clear audit trail to decision making.</li> </ul> <p>The Head of Children’s Social Care has informed us that they have set up a panel of experts, comprising of staff drawn from different disciplines to ensure that correct decisions are being made. A comprehensive review of the current ways of working is also proposed</p>

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<p>Final issued: 25<sup>th</sup> April 2014</p>	<p>No of agreed actions:- 10</p>	<p>No of outstanding audit actions: 6</p>	<ul style="list-style-type: none"> <li>• Due to teams using old cost codes, the correct spend was not being captured on the cost centres set up for this purpose. This has now been resolved.</li> </ul> <p><b>Summary of agreed actions</b></p> <ul style="list-style-type: none"> <li>• Develop formal procedures for both the Adult Social Care Teams &amp; Children’s’ Social Care Teams which are consistent with good practice.</li> <li>• Undertake annual review of Adult Social Care clients.</li> <li>• Ensure that there is a clear audit leading up to the final decision to provide care through NRTPF.</li> <li>• Undertake a review of the current system for storing, recording and issuing of food vouchers; ensure that stock is regularly reconciled.</li> </ul> <p>Undertake a review of the procedures for making subsistence payments to ensure that they are applied consistently</p>

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<p>Final report sent 24<sup>th</sup> April 2014</p>	<p><b>iTrent Expenses</b></p> <p>No of actions:9</p>	<p>Corporate Services Department</p> <p>No of outstanding actions: 1</p>	<p>The review found the overall audit assurance to be limited. A number of issues were identified with regards to the authorisation of expenses. The issue of the system allowing non budget holders to authorise expense has already been highlighted in a review of the iTrent system. The review also found that the guidance notes issued for the claiming of expenses needs amendments to avoid confusion, including the requirement to attach receipts.</p> <p>In the sample selected only 10 percent of receipts were found to have been attached to iTrent and 22 percent of claimants could not provide copies of their claim receipts when requested.</p> <p>Despite guidance notes asking Line Managers to redirect claims to respective budget holders for authorisation (if they are not a budget holder), 40 percent of claims were found to have been authorised by officers other than the budget holder in the sample tested.</p> <p>The review also identified that there is no upper limit threshold on the amount that can be claimed through iTrent therefore allowing claims where an alternative method would have been more appropriate.</p> <p>Furthermore, there does not appear to be a process in place for accountancy to account for VAT on VATable expenses claimed via iTrent.</p> <p><b>Summary of agreed actions</b></p> <p>A review of expense claim descriptions currently in use will be undertaken with the view of expanding element and category available.</p> <p>iTrent procedure and guidance notes will be reviewed to ensure it is fit for purpose.</p> <p>System parameters will also be changed to ensure that only Budget Holders are able to authorised expense claims. Furthermore an up limit will be £250 will be set on the amount that can be claimed using iTrent expense claims.A monthly report identifying all Payroll VAT related expenditure will be generated to allow relevant VAT information to be journal to the correct VAT account. __.</p>

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<p>Final report issued 21<sup>st</sup> March 2014</p>	<p><b>Sherwood Primary School</b></p> <p>No of agreed actions:- 15</p>	<p>Childrens Schools and Families</p> <p>No of outstanding audit actions: 5</p>	<p>The Internal Audit review found that the school has recently been given a Financial Notice of Concern, as the schools deficit for 2013/14 has increased to an unacceptable level of well over £100,000.</p> <p>The LA finance team are working very closely with the school to ensure the measures are put into place to stop the increasing deficit and compile a repayment plan.</p> <p>The internal audit review identified the following weakness by the school in monitoring their budget:</p> <ul style="list-style-type: none"> <li>• Budget deficit – The planned deficit of £66,424 for 2013/14 which was agreed has not been sustained, and further £100,000 overspend has been identified and spent without prior permission.</li> <li>• Finance Committee has not been meeting regularly to monitor the financial situation of the school</li> <li>• There are also no monthly budget meeting being held between the Head teacher and the Business Manager.</li> <li>• Ordering and Payments – During the financial year 2013/14 55% of orders were raised after receipt of an invoice and 48% of transactions were paid without an order having been raised at all. This makes it difficult for the school to have a clear picture of committed expenditure and therefore effects budget monitoring.</li> <li>• A revised ‘Statement of Roles &amp; Responsibilities, Terms of Reference and Delegated Powers’ document needs to be compiled and agreed.</li> </ul> <p><b>Summary of Agreed Action</b></p> <p>Governor Finance Committee – Due to the School current deficit, finance committee meetings will be held monthly to monitor cost centres and spending.</p> <p>Budget Plan – a revised 3 year budget plan has been completed and due to be signed by Governor</p> <p>Budget Monitoring – Regular monthly meeting with Merton Finance Team will be held, and main areas of overspend will be reviewed.</p> <p>Ordering Process - Purchase orders will be raised, and payments slip will be signed by both cheque signatories.</p> <p>Petty Cash – regular reconciliations will be undertaken</p>

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<p>Final report issued 4<sup>th</sup> July 2014</p>	<p><b>Payroll</b></p> <p>No of agreed actions:- 18</p>	<p>Corporate Services</p> <p>No of outstanding actions- 14</p>	<p>The Governance Board Terms of Reference state that the Board should meet on a monthly basis. Evidence showed that the Governance Board met on a quarterly basis during the period under review. This did not comply with the requirements of its Terms of Reference. The agendas and minutes of the June, September and December 2013 meetings of the Governance Board were requested for review. Those for June and September 2013 could not be provided. In the absence of minutes for the June and September 2013 Governance Board meetings, we were unable to confirm that the performance of Agilisys and Midland HR had been subject to regular review over the period: The December Board minutes did provide evidence of performance review.</p> <p>Although the staff complement of the Shared Service was technically at full strength during the period under review, we noted that two members of staff were absent on long-term sick leave. Their positions had not been filled on a temporary basis during the period under review.</p> <p>Our review of The Payroll Client Team User Handbook and discussions with senior management confirmed that this document does not constitute a procedure guide for the Shared Service. Although some procedures have been documented, this is limited. Comprehensive, procedural guidance has not been documented for the Shared Service.</p> <p>We noted that the Head of Joint HR Transactional Services' role requires her to work across three sites and that the Payroll Manager works three days a week. The provision of management support to staff at the Shared Service is therefore limited. This, combined with the lack of comprehensive documented procedures, increases the risk that procedures and controls may not operate consistently as required. For example, we noted during the course of the audit that the Shared Service 'clear desk' policy was not adhered to by staff, and that cupboards containing documents such as employee bank details, were not locked.</p> <p>No documented procedures covering the provision of logical access e.g. to starters and leavers were maintained or in use by the Business Operations team.</p> <p>Sample testing identified one exception, a leaver with a leaving date of 26/8/2013 who was found to be still active on the iTrent system. The leavers process was not documented.</p> <p>Sample testing identified two exceptions: The user accounts of two employees absent on long-term sick leave were found to be still active on the iTrent system</p>

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