

AUDIT PANEL		
Report Title	Internal Audit Update Report	
Key Decision	No	Item No.
Ward	ALL	
Contributors	Head of Corporate Resources	
Class	Part 1	Date: 14 September 2017

1. Purpose of the report

- 1.1. This report presents members of the Audit Panel with:
- Progress against the internal audit plans; and
 - Progress of implementation of internal audit recommendations;

2. Recommendations

- 2.1. It is recommended that the Audit Panel note this report.

3. Background

- 3.1. Internal Audit is a statutory service. Its main priority is to provide management and members with independent and objective assurance on the control environment within the Council.
- 3.2. The internal audit service consists of an in-house team that is supported by external service providers.
- 3.3. This details in this report for the 2017/18 work are as at the 18 August 2017.

4. Executive Summary

4.1. Progress against the corporate audit plan

All nine remaining audits from the 2016/17 audit plan are now finalised.

The 2017/18 audit plan is going well with 40% of the plan now underway. There were two audits finalised since the last meeting.

One audit was cancelled as the scope was covered in another audit.

4.2. Limited, No Assurance, and Consultancy reports.

There were three 'Limited' reports (from 2016/17), and one consultancy review issued since the last meeting.

4.3. High or Medium recommendations not agreed by management

Two recommendations that were not agreed by management were referred to the Internal Control Board. They delegated the decision to the relevant Executive Director (ED) to assess the risk / cost. Their decision will be reflected in the monitoring of recommendations in the usual way.

4.4. Follow up reviews

Follow-up reviews will be conducted only for those audits with a Limited, No Assurance or Consultancy review. This will however be done within six months (rather than the current nine). Internal audit reserves the right to follow-up on any audit or any individual recommendation if required.

There were ten follow-up reviews issued since the last meeting.

4.5. Management progress against recommendations made

The percentage of overdue recommendations to open recommendations has increase significantly from 15% to 33%. This may be down to the summer months while officers are away on annual leave.

The aged analysis report show that 19% of recommendations are taking over one year to implement from the final report.

4.6. Types of controls for recommendations made

At the request of the Audit Panel, from 2017/18 internal audit are now reporting on the types of controls relating to High and Medium recommendations.

There were only two corporate audits to categorise this time, neither of them were financial audits. Governance is where the majority of recommendations were made in these two audits.

4.7. Schools - audit plan, progress on recommendations and follow-up reviews

The remaining school report (No Assurance) from the 2016/17 plan is now finalised.

From the 2017/18 audit plan, two reports were finalised since the last report. Both had positive opinions.

The percentage of overdue recommendations to open recommendations is 46%, a decrease from the 56% report last time.

There were no follow up reviews conducted on schools' since the last meeting.

4.8. Any other business

In addition to the planned audits the service will be working with the finance and HR teams implementing the new Oracle ERP system to assess proposed controls in the new processes.

5. Progress against the corporate internal audit plan

2016/17 Plan

- 5.1. The nine audits that were outstanding at the last meeting are now finalised. The executive summaries for those with issued with an audit opinion of 'Limited' can be found in appendix 2.

Audit (Corporate)	Date of Final	Audit Opinion	Recs. Made		
			H	M	L
No Recourse to Public Funds (NRPF) Case Framework	09/06/17	Substantial	-	2	3
Extra Care Scheme - Campshill Road	01/06/17	Substantial	-	2	3
Mobile Devices (Contract Monitoring)	07/07/17	Satisfactory	2	3	1
IT and Digital Strategy	01/06/17	Satisfactory	-	6	-
Vehicle Fleet - Purchase, Maintenance and Fuel Tank maintenance at Wearside	19/06/17	Satisfactory	1	6	2
Safe Guarding - Section 42 Referrals	03/07/17	Limited	-	10	2
Business Continuity Plans for Adult Social Care Providers	20/06/17	Limited	-	3	-
Public Health - Target based payments to GPs	26/06/17	Substantial	-	-	1
Minor Works Programme (Schools)	20/06/17	Limited	2	5	2

2017/18 Plan

- 5.2. The 17/18 plan is now underway. Typically, staff are on annual leave in the summer months. This means that arranging meetings, conducting testing / fieldwork, and finalising of reports takes a little longer to complete.
- 5.3. The core financial audits will start in quarter three (Oct – Dec). This represents 34% of the corporate plan. The table below shows the status of the plan as at 18/08/17.

Original Plan	Extra Audits	Dropped Audits	Current Plan	Not Yet Started	ToR / Field work stage	Reports at Draft	Final Reports
68	8	(6)	70	50	16	2	2

- 5.4. There were two audits finalised since the last meeting. The executive summary for the consultancy review can be found in appendix 2.

Audit (Corporate)	Date of Final	Audit Opinion	Recs. Made		
			H	M	L
LGA Graduate Training Scheme	18/07/17	Substantial	-	2	2
Performance Management and Service Planning	21/07/17	Consultancy	-	8	1

- 5.5. Cancelled – Community Building Maintenance - cancelled due to the majority of the scope being covered in another audit.
- 5.6. Additional – there were no additional assurance or consultancy work required.

6. Limited, No Assurance, and Consultancy Corporate reports

- 6.1. There were three 'Limited' reports issued since the last meeting, and one consultancy review. All the executive summaries from these reports can be found in Appendix 2.
- 6.2. The audits for those reports from 2016/17 audit plan, were considered in the annual assurance report as a draft / indicative opinion. These did not change.

Limited

- Safe Guarding – Section 42 Referrals (2016/17)
- Business Continuity Plans for Adult Social Care Providers (2016/17)
- Minor Works Programme – Contract Management (2016/17)

Consultancy

- Performance Management and Service Planning (2017/18)

7. High or Medium recommendations not agreed by management

- 7.1. Where a high or medium recommendation is not agreed by management, the recommendation goes before the next Internal Control Board (ICB) for the final decision.
- 7.2. ICB decide if they accept the risk of not implementing or agree that it should be implemented. Where they agree it should be implemented, the recommendations are monitored in the normal way. Where ICB do not agree to implement the recommendation, they are then reported at the next Audit Panel meeting.

The two recommendations that were not agreed by management were referred to the Internal Control Board. They delegated the decision to the relevant Executive Director (ED) to assess the risk / cost. Their decision will be reflected in the monitoring of recommendations in the usual way.

8. Follow-up reviews

Changes to the process

- 8.1. Internal audit previously followed-up on all corporate audits that had high and / or medium recommendations, normally nine months after the final report. The exception to this was core financial audits, where they were followed-up at the next annual review.
- 8.2. To make the most of internal audit resources and address the risk of implementation of recommendations becoming longer dated, the way follow-up reviews are to be conducted is changing for 2017/18. The ICB, agreed that only those with a Limited, No Assurance or Consultancy review will receive an automatic follow-up review. The follow-up will now take place at six months.

Internal audit reserve the right to follow-up on any audit or any individual recommendation if required.

8.3. Reporting on managements' progress on High and Medium recommendations will continue as normal.

8.4. The table below lists the follow-ups conducted since the last meeting, showing the number of implemented, in progress and not implemented. It shows that 58% of recommendations were not implemented in full at the follow-up review. The majority being still in progress.

Audit	Implemented	In Progress	Not Implemented
Risk Management	3	-	-
AFACT	4	-	-
Public Access to information	2	4	1
Housing Bed & Breakfast	1	1	-
DPA	-	4	2
Appointeeships and safeguarding	-	3	1
Children's social care – Children Centre	1	4	-
Public Health Statutory Services	1	1	1
Employer Agents Contract Management	2	3	-
Learning Disabilities Contract Management	5	1	-
Total	19	21	6

9. Management progress against recommendations made

Overdue, Re-occurring and reopened recommendations

9.1. There is a significant increase in the number of percentage of overdue recommendations to open recommendations, from 15% to 33%. This is consistent with the pattern seen in previous years, i.e. partly down to timing, as it is the summer holidays and staff are on annual leave. Along with timely action the number of re-opened and re-occurring recommendations also continue to increase. The position will be monitored and updated at the next Audit Panel.

9.2. The overdue figure includes those officers who have provided an update, but did not amend the due date. Officers are sent reminders every quarter of their open recommendations and the need to complete the status, due date and action fields on the system.

9.3. The table below shows the last rolling year result for overdue, reopened and reoccurring recommendations.

9.4. To accompany the table, Appendix 4 lists the individual audits with recommendations that are either:

- Overdue (due date has passed)
- Re-occurring core financial recommendations, or
- Recommendations were re-opened at the time of the follow-up.

Month of meeting	Current no. of open recs	No. of overdue recs	No. of recs that have been re-opened	No of re-occurring core financial rec	Percentage of overdue recs to open
Sep 17	162	54	18	22	33%
May 17	146	22	2	28	15%
Mar 17	123	26	8	9	21%
Dec 16	107	26	10	13	24%
Sep 16	139	44	11	18	32%

Aged analysis report

9.5. This age analysis for recommendations is worked out by using the current due date for each recommendation, then deducting it the date of the final report.

No. of recs under 3 mths	No of recs 3 to 6 mths	No of recs from 6+ to 9 mths	No. of rec 9+ to 12 mths	No of recs 12+ to 18 mths	No of recs over 18+ mths
48	32	41	10	24	7
30%	20%	25%	6%	15%	4%

9.6. The table above shows that 19% of open recommendations have been open for over one year and remain to be completed. This is a slight decrease of the 20% reported at the last meeting.

9.7. It should be noted that they may be some recommendations that are will legitimately due in over one year, such as signing a contract.

9.8. Those recommendations over 12 months or more are discussed at the monthly DMT meetings.

10. Types of controls for recommendations made

10.1. It was agreed that audits conducted from 2017/18 will record the types of controls where High or Medium recommendations are made. This is the first time internal audit are reporting on this.

10.2. As there have were only two audits finalised, the number and type of examples are limited, but does gives an indication of future reporting.

10.3. The recording of the type of control the recommendation covers can be subjective. It should be noted that a recommendation may also cover more than one control issue.

Control Type	Recommendation
Governance	<ul style="list-style-type: none"> • Terms of Reference review • Formalise minutes • Set and monitor objectives • Reports to be prepared in a timely manner
Procedure	<ul style="list-style-type: none"> • Document review process • Record formally outcomes of assessments
Compliance / Legal / Statutory	<ul style="list-style-type: none"> • Complete peer reviews as per council's framework.
Policy	<ul style="list-style-type: none"> • Setting guidance with key dates
Reconciliation	<ul style="list-style-type: none"> • Budget Monitoring to be carried out
Other	<ul style="list-style-type: none"> • Create and maintain complaints log
Separation of Duties	<ul style="list-style-type: none"> • n/a
IT	<ul style="list-style-type: none"> • n/a
DPA	<ul style="list-style-type: none"> • n/a
Authorisation	<ul style="list-style-type: none"> • n/a

11. Progress against schools' internal audit plan

2016/17

11.1. The 2016/17 schools plan is complete. The last audit to be finalised is listed below. The executive summary for this report can be found at appendix 5.

Audits (Schools)	Date of Final	Audit Opinion	Recs. Made		
			H	M	L
Turnham Primary School	04/07/17	No Assurance	8	24	6

2017/18

11.2. The table below represents the status of the schools' audit plan for 2017/18. All the school visits are booked up and will be completed by year end by the in-

house team and Royal Borough of Greenwich. The status of the schools' plan or 2017/18 can be found in appendix 4.

Original Plan	Extra Audits	Dropped Audits	Current Plan	Not Started	Field-Work stage	Draft Reports	Final Report
27	-	-	27	21	1	3	2

11.3. There were two school audits finalised since the last meeting.

Audits (Schools)	Date of Final	Audit Opinion	Recs. Made		
			H	M	L
Childric Primary School	24/07/17	Substantial	-	3	8
Downderry Primary School	26/07/17	Satisfactory	-	9	7

School Recommendations

11.4. The table below shows the status of open High and Medium school recommendations as at the 18/08/17. The percentage of overdue to open recommendations is 46%, which is a decreased since the last meeting. The status of the individual schools were they are overdue can be found in appendix 6.

Month of meeting	Current no. of open recs	No. of overdue recs	Percentage of overdue recs to open
Sep 17	153	70	46%
May 17	141	82	58%
Mar 17	107	41	38%
Dec 16	95	58	61%
Sept 16	154	67	43%

School follow up reviews

11.5. There were no school follow up reviews issued since the last report.

12. Any other business

12.1. In addition to the planned audits the service will be working with the finance and HR teams implementing the new Oracle ERP system to assess proposed controls in the new processes.

12.2. There have been some changes to the in-house team with staff moving on. Recruitment will be in September to ensure the service remains effectively resourced.

13. Legal implications

13.1. There are no legal implications arising directly from this report.

14. Financial implications

14.1. There are no financial implications arising directly from this report.

15. Equalities implications

15.1. No direct equalities implications have been identified, in terms of adverse impact, with respect to the Council's obligations under the Equality Act 2010

16. Crime and disorder implications

16.1. There are no crime and disorder implications arising directly from this report

17. Environmental implications

17.1. There are no specific environmental implications arising directly from this report

18. Background papers.

18.1. There are no background papers.

If there are any queries on this report, please contact David Austin, Head of Corporate Resources, on 020 8314 9114, or email him at: david.austin@lewisham.gov.uk

Appendix 1 – Corporate audit plan and progress for 2017/18

KEY - CF = Core Financial

IT - Information Technology

CT = Contract

GEN = General Corporate Audits

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
CF	Direct Payments (Core Financial Audit) 17-18										
CF	Payments to Adult Care Providers 17-18 (Core Financial Audit)										
CF	Accounts Payable 17-18 (Core Financial Audit)										
CF	Accounts Receivable 17-18 (Core Financial Audit)										
CF	Banking 17-18 (Core Financial Audit)										
CF	Client Contribution for Care Provision 17-18 (Core Financial Audit)										
CF	Council Tax 17-18 (Core Financial Audit)										
CF	Housing Benefit 17-18 (Core Financial Audit)										
CF	NNDR 17-18 (Core Financial Audit)										
CF	Payments to Care Provider and Foster Carers for Looked After Children 17-18 (Core Financial Audit)										

Appendix 1 – Corporate audit plan and progress for 2017/18

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
CF	Budget Monitoring 17-18 (Core Financial Audit)										
CF	Capital Expenditure 17-18 (Core Financial Audit)										
CF	Main Accounting 17-18 (Core Financial Audit)										
CF	Non-Current Assets 17-18 (Core Financial Audit)										
CF	Payroll 17-18 (Core Financial Audit)										
CF	Pensions for LGPS and TPS 17-18 (Core Financial Audit)										
CF	Treasury Management 17-18 (Core Financial Audit)										

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
IT	Aims upgrade										
IT	Controcc System										

Appendix 1 – Corporate audit plan and progress for 2017/18

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
IT	Ash (Debt recovery) Feeder System										
IT	New CaseWork System										
IT	IT Helpdesk - Monitoring and escalation										
IT	Tribal System										
IT	New HR / Payroll IT systems										
IT	Oracle - Financial Replacement System										

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
CT	Libraries										
CT	Monitoring of Lewisham Homes Management Agreement										
CT	Monitoring of Child Care Providers										
CT	Pre contract and Tendering										
CT	Facilities Management (FM?) - Contract management										

Appendix 1 – Corporate audit plan and progress for 2017/18

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
CT	Parking Contract										
CT	Homecare Service										
CT	Health Visitor Contract										
CT	Deptford Reach Project										
CT	Reed Agency										
CT	Catford Regeneration Partnership Ltd (CRPL)										
CT	Procurement Arrangements										

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
GN	Key Performance Indicators (KPIs) and Departmental Service Plans.						21/07/17	Consultancy	-	8	1
GN	Apprenticeships, Graduates and other Professional Training Schemes						18/07/17	Substantial	-	2	1
GN	New MASH Arrangements (CYP)										
GN	Youth offending										

Appendix 1 – Corporate audit plan and progress for 2017/18

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
GN	Garden waste service										
GN	FOI / DPA										
GN	Blue Badges, Freedom Passes, Discretionary Passes and Taxi cards										
GN	General Data Protection Regulation Preparation										
GN	Homelessness										
GN	Adult Social Care Peer review action plan										
GN	IR35 - off payroll engagements										
GN	Initial Contact, Information, and Advice & Assessments –Adults										
GN	Community Health Care Pathway										
GN	Hand over from Hospital Discharge Neighbourhood team.										
GN	MASH (Multi Agency Safeguarding Hub) (COM)										
GN	Disability Facilities Grant										

Appendix 1 – Corporate audit plan and progress for 2017/18

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
GN	Door2Door										
GN	Decant processes										
GN	Rogue Landlords										
GN	Governors Support										
GN	Adoption Process										
GN	Children Looked After and Achieving Permanence (Adoption and Care Leavers experiences)										
GN	Children who need help and protection										
GN	Early Years 30hrs +										
GN	Fostering Arrangements										
GN	SEN Process										
GN	Procurement Cards										
GN	Risk Framework										
GN	VAT Audit										
GN	Grants (Large)										

Appendix 1 – Corporate audit plan and progress for 2017/18

Type	Name of Corporate Audit	ToR	F/W Started	F/W Ended	Exit Meeting Held	Draft report	Final Report	Assurance Level	H	M	L
GN	Grants (Small)										
GN	Advice and support of HR / Recruitment process										



Overall Internal Audit Assurance Opinion		▲ Limited					
★ Substantial ● Satisfactory ▲ Limited ■ No Assurance. (See glossary for definitions).							
Introduction		Risk Headings					
The background for this internal audit including the agreed scope and risks identified, are included in the Terms of Reference (ToR) which can be found on page 19. The findings in this report are by exception. This means only those areas where further management action is required to improve internal control are mentioned.		▲	1. Timeframes	-	7	1	
Key findings that need attention		●	2. Decision Making Framework	-	3	1	
<ul style="list-style-type: none"> The Social Care Access Information Team (SCAIT) delayed passing three referrals to the responsible teams by four working days. Indicative timescale were not always met including: when the concern was first received, investigation started, safeguarding plan started, and case conference held, and there is no facility to record the reasons why delays might be justified. Management not reviewing work in a timely manner was one reason for the delays to the indicative timescales. In five cases, the safeguarding plan was generated at an earlier date than the safeguarding plan was started on the Liquidlogic Adults' Social Care System (LAS) There is not a facility to allow a record of safeguarding plan and review to be made on LAS (as per stage 3 of the indicative timescales). Delegated enquires to the NHS in relation to pressure ulcers whilst these were monitored by LBL, they were often delayed as the process of investigation carried out by health staff can be a protracted one The information in the Adults Safeguarding Dashboard summary (for S42), used incorrect data. This included incorrect start dates, initiation of contact date, and the wrong safeguarding manger's name. In addition, it did not report on the indicative timescales. The Adults Safeguarding Dashboard (for S42), included cases that were not categorised as section 42 referrals by the social worker. 		Total			-	10	2

- Social workers incorrectly categorised a section 42 referral as a safeguarding concern, and a safeguarding concern as a section 42 referral.
- The dashboard included one case dealt with by a different authority.

Follow-up

The follow up for this audit will take place within nine months from the date of the final report.

Management are required to update the progress any High or Medium recommendations on the Recommendations SharePoint site.

Limitations

- Testing was limited to review of data recorded on the LAS system; other systems such as Meridio were not looked at.
- This audit focused on timescales, the actual decisions made and outcomes recorded were not looked at as part of this audit.
- Testing was done in relation to the indicative timescales, which are set by the Association of Directors of Adult Social Services (ADASS).
- **It should be noted that the timescales are not mandatory, but instead are used as target timescales. As such in some cases, it is entirely reasonable that the timescales are not met, for example whilst awaiting the outcome of a police investigation.**



Internal Audit Assurance Opinion	Risk Headings			H	M	L
▲ Limited	★	1. Contracts and agreements in relation to BCP	-	-	-	-
	▲	2. Monitoring and management reporting	-	3	-	-
	Total		-	3	-	-

★ Substantial ● Satisfactory ▲ Limited ■ No Assurance
(See glossary for definitions).

Introduction

The background for this internal audit including the agreed scope and risks identified, are included in the Terms of Reference (ToR) on page 10. The findings in this report are by exception. This means only those areas where further management action is required to improve internal control are mentioned.

Key findings that need attention

- Updated Business Continuity Plans for three of the five adult care providers sampled were not available at the time of the audit;
- Business Continuity Plans for four of the five adult care providers sampled had not been submitted during the tender process; and
- Evidence that service providers had performed an annual test of their Business Continuity Plans as required was not available for any of the five providers sampled.

Areas that worked well:

- The contracts for provision of adult care service have a special condition Business Continuity clause placed by the Council.

Follow-up

The follow up for this audit will take place within nine months from the date of the final report.

Management are required to update the progress of any High or Medium recommendations on the Recommendations SharePoint site.

Changes to the scope

This audit was conducted in line with the agreed Terms of Reference.

Appendix 2 – Corporate No Assurance, Limited and Consultancy Executive Summaries

Executive Summary for Contract Management – School Minor Works Programme – 2016/17



Internal Audit Assurance Opinon	▲ Limited	Risk Headings	H	M	L
★ Substantial ● Satisfactory ▲ Limited ■ No Assurance (See glossary for definitions).		● 1. Contract and Contract Variation	1	1	-
		▲ 3. Contract Monitoring and Management Reporting	1	4	2
		Total	2	5	2

Introduction

The background for this internal audit including the agreed scope and risks identified, are included in the Terms of Reference on page 11. The findings in this report are by exception. This means only those areas where further management action is required to improve internal control are mentioned.

Key findings that need attention

- The contract with Mitie Tilley Roofing Ltd for £704k (Contract 4 of the School Minor Works Programme contract) could not be located. It was also identified that copies of School Minor Works contracts were not being scanned so that electronic copies could be retained;
- Evidence of regular contract budget monitoring was not always retained and reasons for variances not always provided. There were inconsistencies in the variances reported;
- Service specification documents for two contracts were not signed by representatives of the Council as required;
- There are currently no reporting arrangements agreed with the contract administrators, Pinnacle ESP;
- Financial reports for Contracts 1, 2 and 3 were not provided to the Council in August, October, November and December 2016 as required by the contracts;
- The audit of works against agreed service specifications of the four Minor Works contracts has not been carried out; and
- Client satisfaction surveys have not been conducted as required.

Areas that worked well

- Contracts 1, 2 and 3 made provision for issuing (and agreeing) variations and identified Pinnacle ESP as contract administrators.

Follow-up

The follow up for this audit will take place within nine months from the date of the final report.

Management are required to update the progress any High or Medium recommendations on the Recommendations SharePoint site.

Changes to the scope

This audit was conducted in line with the agreed Terms of Reference.

Appendix 2 – Corporate No Assurance, Limited and Consultancy Executive Summaries

Findings and Management Action Plan for Performance Management and Service Planning 2016-17



Assurance Opinion	Not Applicable	Risk Headings	H	M	L
Introduction The background for this consultancy work including the agreed scope and risks identified, are included in the Terms of Reference on page 10. The findings in this report are by exception. This means only those areas where further management action is required to improve internal control are mentioned.		1. Performance Management	-	7	1
		2. Service Plans	-	1	-
		Total	-	8	1

Key findings that need attention

- Quarterly reports and dashboards are not being prepared as required;
- The terms of reference for the Strategy Performance and Communication Board (SPCB) does not state the frequency and quorum for its meetings;
- There are no meeting minutes recorded for the SPCB meetings held;
- The key dates section of the target setting guidance for the Children and Young People directorate does not state the key dates/deadlines as required;
- There is no up to date manual for the Performance Management System;
- There is no complaints log maintained for the Performance Plus system;
- Cyclical peer audits are not currently being performed as required;
- There is no evidence in place that the SPCB held teams to account for progress in developing their overdue service plans; and

Areas that worked well

- The accountability for corporate performance management is assigned; the roles and responsibilities are clearly defined;
- There is a dedicated performance management system in place; and
- There is an approved Corporate Performance management and Self-Regulation Framework in place.

Follow-up

The follow up for this work will take place within nine months from the date of the final report.

Management are required to update the progress any High or Medium recommendations on the Recommendations SharePoint site.

Changes to the scope

This audit was conducted in line with the agreed Terms of Reference.

Appendix 3 - Status of corporate recommendations.

Name of Audit (Corporate)	Opinion	Final Report Date	Recs Overdue	Re-opened at F/up	Re-occurring (core only)
Accounts Payable 2016-17	Limited	16/03/17	2		1
Accounts Receivable 16-17	Limited	18/05/17	1		2
Appointeeship and Deputyship 15-16	Satisfactory	07/06/17		3	
BACS 2016-17	Satisfactory	01/11/16	3		
Banking 1617	Limited	18/05/17			2
Better Care Fund 16-17	Satisfactory	23/01/17	1		
Budget Monitoring and Setting 2016-17	Substantial	03/03/17	1		1
Client Contributions to Care Provision 16-17	Satisfactory	24/05/17	3		3
Children's Centres Contract Management	Limited	14/04/16		4	
Compliance with DPA 1998	Satisfactory	04/05/16		4	
Direct Payments 16-17	Satisfactory	05/05/17	1		2
Disaster Recovery / Business Continuity Planning 2015/16	Satisfactory	06/06/16	2		
Food Safety, Hygiene and Standards	Satisfactory	27/05/16	2		
ICT Disaster Recovery	Substantial	04/11/17	1		
IT Strategy 16-17	Satisfactory	06/06/17	6		

Appendix 3 - Status of corporate recommendations.

Name of Audit (Corporate)	Opinion	Final Report Date	Recs Overdue	Re-opened at F/up	Re-occurring (core only)
Main Accounting 16-17	Satisfactory	29/12/16			1
Non Current Assets 16-17	Satisfactory	24/05/17	2		
Payments to Adult Care Providers 2016-17	Satisfactory	05/05/17	6		6
Payments to Care Providers and Foster Carers 2015-16	Satisfactory	06/06/16			1
Payments to Care Providers and Foster Carers 2016-17	Satisfactory	05/05/17			1
PayPal Post implementation	Satisfactory	05/05/17	2		
Performance Indicators and Service Planning 17-18	Consultancy	21/07/17	1		
Pensions 16-17	Satisfactory	08/05/17	4		2
Processes for Payments to Main Providers (Child)	Consultancy	14/06/16	5		
Public Access to Information	Satisfactory	04/05/16		4	
Public Health – Statutory Services 15-16	Satisfactory	06/06/16		1	
Schools' Catering Contract 16-17	Limited	03/03/17	3		
Schools' Minor Work Programme 16-17	Limited	20/06/17	5		

Appendix 3 - Status of corporate recommendations.

Name of Audit (Corporate)	Opinion	Final Report Date	Recs Overdue	Re-opened at F/up	Re-occurring (core only)
SharePoint 14-15	Satisfactory	13/10/15		2	
South London and Maudsley NHS (SLaM)	Satisfactory	14/07/15	1		
Speech and Language Therapy - Contract Management 15-16	Substantial	20/05/16	1		
Vulnerable Clients Monies – New Monitoring Process	Substantial	11/05/17	1		
		total	54	18	22

Appendix 4 – Schools audit plan and progress

Name of Corporate Audit	F/W Started	F/W Ended	Draft report	Final Report	Assurance Level	H	M	L
Childeric Primary				24/07/17	Substantial	-	3	8
Downderry Primary				26/07/17	Satisfactory	-	9	7
John Ball Primary								
Perrymount Primary								
St John Baptist CE Primary								
Greenvale Special								
All Saints CE Primary								
Baring Primary								
Beecroft Garden Primary								
Brent Knoll School								
Brindishe Lee Primary								
Coopers Lane Primary								
Elfrida Primary								
Eliot Bank Primary								
Gordonbrock Primary								
Grinling Gibbons Primary								

Appendix 4 – Schools audit plan and progress

Name of Corporate Audit	F/W Started	F/W Ended	Draft report	Final Report	Assurance Level	H	M	L
Haseltine Primary								
Kelvin Grove Primary								
Holy Trinity CE Primary								
New Woodlands								
St Bartholomew's CE Primary								
Sir Francis Drake Primary								
St George's CE Primary								
St James' Hatcham CE Primary								
St Saviour's RC Primary								
St William of York Catholic Primary								
St Winifred's Primary Catholic Primary								



Current Audit Opinion	■ No Assurance	Direction of Travel	↔	2013/14 Audit Opinion	No Assurance	Risk Headings	H	M	L
★ Substantial	● Satisfactory	▲ Limited	■ No Assurance.	(Definitions in glossary).		▲ 1. Procurement	-	9	-
				The background for this internal audit including the agreed scope and risks identified, are included in the Terms of Reference (ToR) which can be found on page 24. The findings in this report are by exception. This means only those areas where further management action is required to improve internal control are mentioned.		● 2. Income	-	1	1
				Significant Key findings that need attention (**identified in previous audit)		● 3. Asset Security	-	3	-
				<ul style="list-style-type: none"> A Finance Policy was not available at the time of the audit. Budget monitoring had not been done between February 2016 – December 2017. The income entered on the FMS was £3m different from the approved budget. Bank reconciliations had not been done between Feb 16 – Jan 17. Payments of £204.52 to an ex HT with the reference ‘Pension contribution’ were still in place. In addition, two leavers were still on the Payroll report. One pension contribution paid was calculated based on a lower contribution scale. A discrepancy of the amount paid to the HMRC for January was identified. The school was not registered on the Information Commissioners Website since 2013. POs were not always raised or approved.** Evidence to confirm goods were received was missing.** Invoices were not all authorised for payment.** Item for £16.5k was not on the asset register.** Asset register did not have all the required information.** There was no write off policy and no evidence of approval for disposed items.** Three governors and one finance staff had not completed a Register of interest form.** No authorisation for a virement for £116.3k.** Payroll reconciliations were not signed by the completer or reviewer.** Three members of staff did not have evidence of the right to work in the UK on file.** Not all staff had two references on file.** Tender documents and quotes were not retained. Invoices were paid late. Procurement card reconciliations had not taken place, some receipts were missing and no PO raised. Petty cash one claim over £100, receipts were not on files, claims not authorised or cash not signed for. 		▲ 4. Governance	1	2	1
						■ 5. Budget Monitoring	2	3	1
						■ 6. Banking	1	-	1
						■ 7. Payroll	3	3	-
						● 8. Recruitment	-	3	-
						▲ 9. Data Security	1	-	2
						Total	8	24	6

- Purchase of a leaving gift using the card was made.
- No formal debt recovery process in place.
- Assets were not always security marked.
- The voluntary fund had not been independently reviewed.
- Approved budget plan was submitted late.
- Budget £2k in deficit in 16/17 and expected to be in deficit by £147k in 17/18.
- Evidence of Governors approval of the pay awards was not available.
- Teachers’ payment awards were not on file.
- Payroll forms including starter and leaver forms were not on file.

Follow-up review

The follow up for this audit will take place within nine months.

Appendix 6 – Status of schools recommendations

Name of Audit (Schools)	Opinion	Final Report Date	Recs Overdue
Downderry Primary School 2017-18	Substantial	26/07/2017	1
Drumbeat Special School 16/17	Substantial	28/03/2017	7
Horniman's School 16-17	Satisfactory	01/06/2017	2
Lucas Vale 16-17	Limited	01/06/2017	2
Lucas Vale 16-18	Limited	02/06/2017	1
Marvels Lane 16-17	Satisfactory	17/03/2017	10
Our Lady and St Philip Neri RC School 2015-16	Satisfactory	04/02/2016	1
Rangefield Primary School 16-17	Satisfactory	06/02/2017	1
St Augustine's Catholic Primary School	Substantial	15/03/2017	2
St. Joseph's School 2016/17	Satisfactory	10/02/2017	1
Stillness Infants School 16-17	Substantial	14/03/2017	2
Torridon Junior School 16-17	Satisfactory	16/03/2017	6
Turham Primary 13-14	No Assurance	31/07/2013	6
Turnham Primary School 16-17	No Assurance	04/07/2017	27
Turnham School 13-14	No Assurance	31/07/2013	1
		TOTAL	70