

Matters arising from internal audit work completed during the period to 30 September 2021

1 Introduction

- 1.1 This report highlights key issues that the Audit, Risk and Governance Committee should be aware of in fulfilling its role of providing independent oversight of the adequacy of the council's governance, risk management and internal control framework. It highlights the issues arising from the work undertaken during the period to 30 September 2021 by the Internal Audit Service under the audit plan for 2021/22.

2 Progress against the internal audit plan

- 2.1 Audit work is progressing well and a number of audits are reported below. Risk and control frameworks are being developed with service managers and detailed testing already under way, with more being planned at present. More information is provided at section 3 below.
- 2.2 Excluding follow-up work and ad hoc grant audits, there are now 72 audits on the plan for the year. These have progressed as follows.

Stage of audit process	Number	Percentage
Complete and reported to committee	7	10%
Complete but will be reported as a suite of connected audits with one report still in draft	2	3%
At draft report stage	4	5%
Progressing	23	32%
Not yet started/ at the planning stage	36	50%
Total number of audits	72	100%

- 2.3 At this point, half of the audit work for the county council, and more than half for the service's external clients, has begun and is progressing.
- 2.4 Summaries of the findings of the seven audits completed and reported to the county council during the last quarter are reported below. Two reports on health and safety in depots have been completed but will be reported with a third on health and safety at waste treatment plants, which is currently being drafted. Draft reports are also being prepared and discussed with managers on the supervision and support arrangements in both the Children's Services Directorate and in adult social care services, and also on contract monitoring (provider-led reviews) in adult social care services.

3 The assurance available from completed audit work

- 3.1 A brief summary of the assurance provided is provided in the table on the page below.

Control area	Assurance
Service delivery: Adult Services and Health & Wellbeing	
Staff induction, including the Social Care Academy	Moderate
Service delivery: Education & Children's Services	
Prevention of child exploitation	Moderate
Service delivery: Growth, Environment & Transport	
Covid-19 vaccination programme	Moderate
Procurement of fleet vehicles	Substantial
Support for the county's economy	Moderate
Service delivery: Finance	
Schools' payroll	Moderate
Business processes	
Purchase cards	Substantial

Grant certification and testing

- 3.2 In addition to providing assurance to the council some audit work is required by various central government departments, to provide them with assurance over the council's use of grant funding and attainment of funding conditions.
- 3.3 Work has been completed to provide assurance to the Department for Transport that the conditions set for the council's use of funds granted in relation to local transport capital funding have been met. (These amount to £30.98 million in total.)
- 3.4 Continuous audit work is required by the Ministry for Housing, Communities and Local Government's Troubled Families Unit to certify 10% of the outcomes being claimed by the council under the Troubled Families programme. We expect that approximately 1,460 outcome claims will be submitted and 150 claims audited for the Troubled Families Unit during the current year.

4 Issues arising from completed audit work

- 4.1 The matters arising from each of the completed audits are set out in the narrative below.

Staff induction, including the Social Care Academy (Moderate assurance)

- 4.2 The Social Care Academy programme provides a structured and consistent two-week induction into adult social care, supporting social workers, occupational therapists and social care support workers who are in the first year of their career. It moved to online delivery quickly in April 2020 and continued to deliver training under difficult circumstances. It complements the specific training planned through supervision discussions between an individual and their manager.
- 4.3 Attendance is mandatory for new starters who meet the eligibility criteria but, despite the best efforts of the Principal Social Worker and her team, a small number of eligible staff have not yet attended. Action is being taken to rectify this, but some managers do not yet consistently refer eligible staff to the academy, and applications can be delayed.

- 4.4 Feedback is obtained from delegates (but not their managers) on matters including team induction, job shadowing, supervision arrangements and managers' support for their training. However, the academy's performance is not adequately monitored or formally analysed to assess its impact on attendees' learning and the resulting impact on their professional practice and retention.

Prevention of child exploitation (Moderate assurance)

- 4.5 Child exploitation is defined as 'the act of using a minor child for profit, labour, sexual gratification, or some other personal or financial advantage', and often results in cruel or harmful treatment causing emotional, physical, and social problems. It may be categorised as sexual, criminal, or modern-day slavery.
- 4.6 The Children's Social Care teams from the county council and the two unitary authorities, combined with the police and NHS bodies, form the Contextual Safeguarding Team. This is divided into three areas that cover the whole county and work closely with colleagues in education, youth offending, the voluntary sector and commissioned services. As at March 2021, the whole team was working with 140 children at risk of exploitation.
- 4.7 Early in 2019 we reviewed the action being taken to combat child exploitation and, at that time, we could provide only limited assurance over its adequacy and effectiveness. Considerable improvement has been made since then and the Contextual Safeguarding Team is working effectively to address the areas where further improvement is still necessary.
- 4.8 Cases are now generally managed in accordance with a new Complex Safeguarding Protocol and there is a comprehensive and effective performance management system in place at both the operational and strategic level, although cases are still not being managed quickly enough. Only 30% of assessments for the cases we tested had been completed within the agreed timescale of 30 days. The team works with other services to address complex safeguarding needs, and there is evidence of active engagement with partners through daily intelligence meetings and monthly multi-agency meetings.

Covid-19 vaccination programme (Moderate assurance)

- 4.9 Through a range of working groups, including representatives from all essential services, the council has been able to support the NHS effectively in implementing the vaccination programme. This has included assisting in establishing mobile units (particularly supporting vulnerable people), disseminating current and accurate information, disposing of waste, ensuring adequate car parking arrangements and providing transport for service users in care homes.
- 4.10 Whilst our audit work has been limited to governance, communication, and data collection and analysis, the arrangements the council put in place have been entirely appropriate. Suitably senior officers have been involved at the right times and the working groups have ensured that responses during the pandemic were, and continue to be, sufficiently swift.
- 4.11 Work is continuing to support uptake of the vaccines, in particular supporting care homes in advance of the requirement that all care workers in Care Quality Commission (CQC) registered care homes are fully vaccinated by 11 November 2021.

Procurement of council fleet vehicles

(Substantial assurance)

- 4.12 The control framework is adequately designed to mitigate the risks that the vehicle fleet is properly specified to support delivery of the council's services and is procured in compliance with legislation and policy. Key controls include clear procurement procedures, the Procurement Service's involvement in the process, and the Fleet Service's role in working with services to assess their needs and specify appropriate vehicles, and then ensuring these are delivered.

Support for the county's economy

(Moderate assurance)

- 4.13 The council has received and spent funding from various sources to support the county's economy during the course of the covid pandemic. We have examined and can give moderate assurance collectively over the adequacy and effectiveness of the controls over the grants funded by: the European Regional Development Fund's Boost schemes, 'Boost Your Recovery' and 'Kickstart Tourism'; the Department of Environment, Food and Rural Affairs' emergency food grants and support to the extremely clinically vulnerable during the tiered and national restrictions of December 2020 and January 2021; and the Department for Work and Pensions' COVID Winter Grant Scheme supporting those who are at risk of experiencing poverty, arising from the pandemic.
- 4.14 We also examined the council's own funding for taxi operators who would normally provide school transport services to ensure that taxi drivers continued to be paid.
- 4.15 We assessed the risk and control frameworks for each funding stream, supporting the council's objective of providing support to the economy during the pandemic and found no issues of concern to report.

Schools' payroll

(Moderate assurance)

- 4.16 We tested a range of 12 schools using a variety of external payroll providers from large national companies using bespoke payroll software to smaller local firms using off-the-shelf software. Overall, schools have effective procedures in place to support their payroll processes. All schools have pay policies in place and approved by the governing bodies, mostly based on the council's model policy. All but one of the schools has a formal service level agreement or contract with their payroll provider although these do not always adequately define the roles and responsibilities of both parties.
- 4.17 There are systematic processes in place for preparing and approving staffing budgets which involve key stakeholders, and draft budgets are considered and approved by the schools' governing bodies. Most schools have appraisals which inform the award of pay progression and honorariums and these are approved by governors.
- 4.18 Processes around new starters and leavers generally operate effectively, and employees are paid promptly and correctly in their first and last months' pay. Adjustments for statutory and occupational maternity and sickness pay are generally made promptly. All schools undertake monthly payroll and bank reconciliations although not all schools are able to achieve a segregation of duties between staff authorising transactions and reconciling bank statements to the payroll.

Purchase cards

(Substantial assurance)

- 4.19 The council operates a corporate charge card scheme provided by Barclaycard Business. Cards are provided to staff to facilitate electronic ordering and payment and, in May 2021, 175 cards were held by individual employees for use on behalf of their service. There are also 27 group purchase cards that enable the purchase of stationery from the corporate contractor. During 2020/21 more than £1.6 million was spent on all purchase cards through 17,217 transactions.
- 4.20 The Procurement Information Management (PIM) Team administers the purchase cards. The use of the cards is well controlled, and processes have been modified appropriately during the covid pandemic.

5 Follow-up of actions agreed arising from earlier audit work

- 5.1 The Internal Audit Service normally aims to follow up the action plans agreed by managers to address the risks identified through the audit process, to confirm that action has been taken. The plan for the year therefore includes an allocation of time for this work and the actions agreed in earlier years are being reviewed with the responsible officers. Managers across the council have been focussed on responding to the pandemic and in some cases systems and processes have been changed to accommodate different requirements or are still being changed.
- 5.2 The first response to our follow-up work is as follows.

Premises' compliance: health and safety in properties managed by the council

- 5.3 Audit work was undertaken in 2019/20 that resulted in limited assurance that properties managed by the council are compliant with statutory and other requirements.
- 5.4 The Asset Management compliance team has now been in place for just over three years and whilst efforts have been made to introduce a corporate process, there has been limited progress towards the improvement that management would like to achieve. The Head of Service is now in the process of reconfiguring the function, which will establish a performance team and incorporate the compliance function alongside wider premises data and information requirements. The Head of Service has also commissioned Digital Services to analyse the processes by which the council's statutory and regulatory responsibilities are managed and to recommend improvements.
- 5.5 This work will define the council's statutory responsibilities, identify the properties and elements that require monitoring, review the existing systems and procedures, and identify available data sets to support premises management compliance.